



Daily Report

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17 September 1993

Daily Report

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General

Li Lanqing, IOC's Samaranch View Olympic Bid

OW1709093093 Beijing XINHUA in English 0831
GMT 17 Sep 93

[Text] Monte Carlo, September 16 (XINHUA)—Chinese Vice-Premier Li Lanqing said he was confident that Beijing would win the bid to host the 2000 Olympic Games when he met with Juan Antonio Samaranch, president of the International Olympic Committee, here Thursday [16 September].

Li, honorary head of the 200-member Beijing bid delegation, met with the IOC president in the president's office shortly after arriving here Thursday afternoon.

The Chinese vice premier reiterated to the IOC president the full support of the Chinese Government to Beijing's bid for hosting the games.

"I know that the competition will be tough, but we are confident of winning the bid," he told Samaranch. "If we win the bid, we can surely make the games a great success".

Samaranch said he admires China's achievements in both economy and sports.

International Seminar Examines Role of Central Bank

HK1709080593 Beijing CHINA DAILY in English
17 Sep 93 p 2

[By staff reporter Ren Kan: "Forum on Central Bank's Role"]

[Text] Chinese and foreign financiers met at an international seminar in Beijing yesterday to discuss the role of the central bank and the possibility of establishing a long-term credit bank in China.

More than 60 participants at the three-day event will focus their discussions on the reform of the People's Bank of China.

"The seminar has great significance since it is being held at a time when the country is pushing forward its overall plan for financial reform," said Dai Xianglong, Vice-Governor of the People's Bank of China (PBC).

The seminar will give China the opportunity to benefit from the experience of other countries, particularly developing countries, in financial reform, he said.

It will help the country's new financial system not only to have Chinese characteristics but also to be in line with international practices.

During the seminar, PBC Vice-Governor Chen Yuan unveiled the country's initial financial reform plan which includes the establishment of a central banking system.

He said the focus of the reform is to make the People's Bank of China a real central bank.

It must be made clear that the PBC's function is to maintain the stability of the currency and to exercise

financial supervision so as to ensure the sound operation and secure performance of the financial system, he said.

To enhance the central bank's macroeconomic control, Chen said, the monetary policy system will be reformed.

The intermediary objective will be shifted from credit quota ceiling and cash issuing to the money supply. As an important way to control the expansion of credits, the central bank at present offers a certain amount of quotas for banks' loans which cannot be surpassed.

The central bank will use more market-based monetary policy instruments, such as open market operations.

The organizational structure of the PBC should be improved, Chen said, adding that the roles of both the head office and its branches should be defined.

The head office will be responsible for the regulation of the money supply and the supervision of nationwide financial institutions.

The branches will be responsible for providing financial supervision and services in their own jurisdictions.

Chen said the central bank's macro control excessively relies on credit ceiling and does not regulate China's financial activities.

He said the central bank is still engaged in some policy-based lending which hinders its ability to control the money supply.

The World Bank has sent high-level officials to the seminar.

United States & Canada

PRC Adopts 'Four Not's' Policy Toward U.S.

HK1709071293 Hong Kong HSIN PAO in Chinese
17 Sep 93 p 24

["Beijing Political Situation" column by Jen Hui-wen (0117 1979 2429): "Background to China's 'Four Not's' Policy Toward the United States"]

[Text] Beijing, 15 Sep—This writer pointed out in this column on 3 September that to counter the recent U.S. hegemonist moves, such as engineering the Yinhe incident in an attempt to damage China's image, the CPC authorities had adopted the tactic of "tackling the hard with the soft," in the hope of solving Sino-U.S. differences through "dialogue" rather than "confrontation," and developing a relationship of equality and mutual benefit on the basis of the principles laid down in the three Sino-U.S. Communiqués.

According to a Beijing source, however, some people in the party—especially some generals in the military—do not quite understand the tactic of "tackling the hard with the soft." To protect the troops' patriotic fervor, to unite in thought and deed in struggling against the United States, and to win over extensive sympathy in the international community, the Standing Committee of the CPC Central Committee Political Bureau again discussed the issue of

Sino-U.S. relations on 1 September and made a new decision. Jiang Zemin, general secretary of the CPC Central Committee and chairman of the Central Military Commission, gave a briefing on this on the evening of 3 September, when meeting the comrades in charge of the Central Military Commission, the Ministry of Defense, and the three armed services, as well as some retired old generals.

The "decision" of the CPC Central Committee Political Bureau Standing Committee pointed out: As a developing country, China wants very much to devote itself to economic construction in a peaceful environment. For this reason, China has consistently attached importance to Sino-U.S. relations. Recently, Jiang has reaffirmed China's principled stand on many occasions, stressing that both China and the United States should "increase confidence, reduce trouble, develop cooperation, and refrain from confrontation," and that China is ready to work toward improvement of bilateral relations on the basis of the three Sino-U.S. Communiqués.

The "decision" also pointed out: With regard to the recent U.S. acts of meddling in and infringing upon China's sovereignty, internal affairs, and normal commercial activities politically, economically, and militarily, it is necessary to make continuous representations and to make known to the United States and the international community China's solemn stand in this respect: First, both now and in the future, China does not want confrontation or to have direct conflict with the United States; second, China will not take the initiative to provoke Sino-U.S. confrontation to create a strained situation; third, China will not dodge political confrontation, economic disputes, and other troubles imposed on China; and fourth, China is not afraid of political, economic, and military blockades, pressures, and sanctions, but will resist them.

Those are the new decisions of the CPC authorities in handling Sino-U.S. relations. They can be stated briefly as the "four not's," namely: "Not wanting confrontation, not provoking confrontation, not dodging confrontation, and not being afraid of confrontation."

It is learned that party elders have expressed widespread support for the new decision on the "four not's," holding that in doing so we are fighting on just grounds, to our advantage, and with restraint.

Military Generals Call For a Tough Stand Against the United States

The source said that the Chinese armed forces have reacted very strongly to the recent U.S. anti-China provocations. The following are some manifestations of military generals who do not quite understand the policy of "tackling the hard with the soft." Naturally, their proposals on modernization of the armed forces are still appreciated by the authorities.

In mid-August, Chi Haotian, member of the Central Military Commission and minister of defense, submitted a written view to the CPC Central Committee, the State Council, and the Central Military Commission. Entitled

"Solemnly Deal With the U.S. Deliberate Provocations Against China," the letter was transmitted by the Secretariat of the CPC Central Committee to members of the CPC Central Committee Political Bureau, State Councilors, members of the Central Military Commission, and vice chairman of the National People's Congress.

On 28 August, PLA Chief of Staff Zhang Wannian, General Political Department Director Yu Yongbo, and General Logistics Department Director Fu Quanyou submitted to Jiang Zemin, Qiao Shi, and Liu Huaqing—all of whom are members of the CPC Central Committee Political Bureau Standing Committee—a proposal entitled "We Are Ready To Defend the Motherland at Any Moment," to express the three armed services' disagreement with the CPC higher leadership's principle of "conceding and backing off wherever necessary" in dealing with U.S. provocations, which gives priority to economic construction as the central task.

On 30 August, the PLA General Staff Headquarters again submitted to the CPC Central Committee, the State Council, and the Central Military Commission another 10-point proposal entitled "Accelerating the Development of the Three Armed Services Through Reform in Terms of Modern and Sophisticated Equipment." The proposal has the following content: Strengthening education in modern military theories and technical training for new soldiers; establishing more high- and intermediate-level military institutes and enhancing military education standards; giving priority to developing sophisticated conventional weapons at an extraordinarily rapid pace, as well as developing a new generation of strategic and tactical nuclear and laser weapons; improving submarine units, developing missile-armed submarines, and commissioning more nuclear-powered submarines of the new generation; speeding up the process of updating fighter planes of the air force, and advancing the implementation of the plan to build aircraft carriers. In view of the grim situation China faces, the General Staff Headquarters also demanded that the military budget be increased by 20-25 percent so as to ensure sufficient military strength to defend the country against any military adventure launched by hegemonists.

The informed source noted: Back in early August, six generals—namely Zhang Aiping, Yang Dezhi, Li Desheng, Xiao Ke, Yu Qiuli, and Chen Xilian—who were vacationing in Beidaihe at the time, organized a sign-up drive and submitted to Jiang Zemin and Liu Huaqing a joint letter signed by 72 generals. The letter put forward three suggestions: 1) China's stance and policy toward the United States should be revised in light of the latest U.S. provocations against China; 2) action must be taken promptly to improve armaments and accelerate the development of the Navy and the Air Force; 3) it is necessary to launch across the country and throughout the entire party and Army an education drive on the international situation with relation to the struggle against U.S. hegemonism and power politics.

The Reason the CPC Upholds the Strategy of "Tackling the Hard With the Soft"

The informed source added: Why is the CPC higher leadership still upholding the strategy of "tackling the hard with the soft" while reiterating its principled stance, in spite of the strong urge by generals—both young and old—in the Army for a hard line against U.S. provocations? It is because the foreign policy the CPC is implementing now was laid down by Deng Xiaoping in early 1991, and the development of international situation so far has proved the correctness of this policy.

In early 1991, in light of the grim situation characterized by the drastic change in Eastern Europe, Deng Xiaoping laid down a 24-character principle on international relations, that is, "observe coolly, stand firm, tackle calmly, hide our capacity, bide our time, be good at maintaining a low profile, and never try to take the lead." After the dramatic change in the Soviet Union in August that same year, Deng put forward another 12-character principle: "Now that China is under siege and the enemy has gotten the upper hand, we should mainly assume the defensive." This is regarded as an expansion of the 24-character principle. After that, Deng called Jiang Zemin and Yang Shangkun (then state president and first vice chairman of the military commission) to see him. He talked with them, and stressed: Given the current international situation, "we must remain cool-headed and always stick to economic construction, and we must continue to concentrate on this task steadfastly unless we are faced with a massive foreign invasion. All other tasks must give way to and serve economic construction as the center; never should we do anything to disrupt and interfere with this central task, nor should we be distracted by and shift our attention to anything else." In Deng's eyes, it is obvious that the most important thing to China is to try its best to step up economic development in a peaceful environment." As long as "the economy is boosted, we can readily solve whatever problems emerge." Therefore, China can make concessions on other issues, including international issues, as long as principles are not traded off.

Economic Construction Dominates Foreign Policy

Deng Xiaoping's insistence on this view was fully reflected in his speech between last April and May in which he said: "Regarding China affairs, the most significant lesson we can draw from our past is that we should stick firmly to economic construction as a central task. In the past, we used to give up this central task as soon as something unusual happened to us; it seemed that interruption of economic construction was fully justified, but economic construction is the most important among other things, for we have to rely on it for resolving all the other problems we face in China. Nothing else can supersede economic construction. This is a basic judgment, which has already been proved correct. In the future, never should we back off from this judgment or replace it with another, unless a great war breaks out." In other words, this no doubt means that foreign policy must give way to and serve economic construction as the central task.

This is the background of the CPC higher leadership's adherence to the strategy of "tackling the hard with the soft" in dealing with the United States.

To be sure, the recent Yinhe case has made the United States lose face before the world, but if one observes the event carefully, one will find that most of those that have voiced support for China are peripheral and Southeast Asian countries, while most Western and European countries do not want to offend the United States. This serves as a lesson for China: To deal with the affair it can adopt only a soft tactic rather than a hard one.

Information has it that in Beijing recently, CPC senior Chen Yun discussed this issue with Peng Zhen, who had just recovered from an illness. Chen maintains that China should continue the dialogue with the United States rather than confront it, that China must be determined to improve its relations with peripheral and Southeast Asian countries, making concessions and offering assistance wherever necessary. It is an honor for China to help developing countries in their efforts for development, and China should refrain from interfering in the internal affairs of others. Only in this way will China be able to win more sympathy and support from the world, which, in turn, will benefit China in its economic construction and its efforts to strive for prosperity and stability.

President's Campaign To 'Sell' Health Plan Viewed

OW1709073393 Beijing XINHUA in English 0651
GMT 17 Sep 93

["Roundup: "Clinton Kicks Off P.R. Campaign To Sell Health Plan"—XINHUA headline]

[Text] Washington, September 16 (XINHUA)—Inviting 21 ordinary Americans to the White House to tell their horror stories about the medical system, U.S. President Clinton today kicked off a public relations campaign to sell his health care reform plan.

"Before we launch into the debate, I wanted to invite you here to remind everyone ... there are 250 million health care experts in our nation, and every one has a different story," Clinton told the 21 Americans who wrote him letters complaining about rising health care costs and the increasing number of people losing health insurance.

Clinton's health care task force received 700,000 letters from angry or beleaguered Americans in the past nine months as the nation's health care costs more than tripled in the past 12 years to a record 8,380 billion dollars in 1992, leaving over 37 million Americans with no basic health care insurance.

To put an end to the health care crisis, Clinton is expected to unveil Wednesday [22 September] his repeatedly delayed plan to control soaring costs while extending coverage to all Americans.

The plan, shaped by the 500 member task force chaired by First Lady Hillary Rodham Clinton, is now receiving

finishing touches after seven months of secret deliberations, three false starts and a number of trial balloons.

But selling the plan may be an even daunting [as received] task than shaping it.

Though the majority of Americans agree that fixing the health care system is the nation's second most important challenge after economy and jobs, they have numerous different solutions.

Since the health care industry accounts for one-seventh of the nation's economy, any comprehensive reform plan is expected to affect thousands of interest groups that advocate conflicting plans.

Just a week before Clinton is to send his health plan to Congress, the House Republicans introduced Wednesday their alternative plan that largely differs from the expected White House package. The Senate Republicans will also unveil their own version soon.

Making a quick response to a Republican preemptive, Clinton launched the public relations blitz to sell his plan today even before making it public.

After the White House gathering, Clinton went across town to an industrial hardware store where he peddled his plan to small business owners.

Clinton also has scheduled a similar event in a children's hospital Friday and will hit the road two days next week after unveiling his plan in an address to a joint session of Congress.

"I think we'll continue to travel, probably every week for the next several weeks on health care," Clinton's press secretary Dee Dee Myers said at a White House briefing today.

Since Congress is unlikely to have time to pass any health care reform package this year, Clinton's sales campaign is expected to run well into the next year.

Northeast Asia

DPRK's Kim Il-song Receives NPC Group

Denies Nuclear Allegations

OW1609092493 Beijing XINHUA in English 0912
GMT 16 Sep 93

[Text] Pyongyang, September 16 (XINHUA)—Kim Il-song, president of the Democratic People's Republic of Korea (DPRK), today denied the allegation that Pyongyang is making nuclear weapons, saying it has no capability, no technology and no fund to develop nuclear arms.

Kim made the remarks when he met with a visiting delegation of the National People's Congress (NPC) of China, headed by Wang Hanbin, vice-chairman of the NPC Standing Committee.

Kim said that it is unnecessary for Pyongyang to develop nuclear bombs. "It is useless to make a couple of nuclear bombs," the DPRK president said.

He accused the United States of making an issue of the alleged DPRK nuclear program and inventing an excuse for U.S. troops to continue to stay in South Korea.

The DPRK earlier threatened to quit the Nuclear Non-Proliferation Treaty rather than open two military facilities for inspection by the International Atomic Energy Agency.

The move heightened suspicion in South Korea and its allies that the DPRK has either successfully built some nuclear weapons or is on the verge of doing so.

Kim said that China needs a peaceful environment for its economic development, so does Korea. If war broke out, everything would be destroyed in a moment. "Korea will not create tensions on the peninsula," he stressed.

Meanwhile, Wang said China pays close attention to the situation on the Korean peninsula, adding that China endorses the North-South dialogue, DPRK-U.S. talks and the national reunification of the two parts of Korea.

The Chinese NPC delegation arrived here on September 13 at the invitation of the Supreme People's Assembly of Korea.

Views Ties With China

OW1709143193 Beijing XINHUA Domestic Service in
Chinese 1041 GMT 17 September 93

[By reporter Gao Haorong (7559 3185 2837)]

[Text] Pyongyang, 16 Sep (XINHUA)—Kim Il-song, general secretary of the Workers Party of Korea Central Committee and state president, met a Chinese National People's Congress [NPC] delegation led by Wang Hanbin, alternate member of the CPC Central Committee Political Bureau and vice chairman of the NPC Standing Committee, somewhere other than Pyongyang today [16 September]. The two sides conducted a cordial and friendly conversation.

Kim Il-song said: China is a great country. It is currently undergoing reform and is opening to the outside world, and it has achieved tremendous success in these regards. The Chinese people's success is also the success of the Korean people. The Korean people have always supported or expressed support for the Chinese people's struggle to build socialism with Chinese characteristics. The Chinese people's successes in building socialism and in making their country prosperous and strong are also a great inspiration to Korea. He hoped the Chinese people will unite closely around the party Central Committee with Comrade Jiang Zemin as the core to reap greater success in the future.

He said: China needs a peaceful environment, and so does Korea. Through arduous struggle, the Korean people have scored tremendous success in socialist construction. "Korea will not create tensions on the Korean peninsula."

Kim Il-song said: Relations between Korea and China are just like what Chairman Mao Zedong said before his death—"we are of one family." Korean-Chinese relations will last forever. It is good that delegations from the two countries regularly exchange visits. The present visit to Korea by the Chinese NPC delegation has contributed to the strengthening and development of Korean-Chinese friendship.

During the meeting, Wang Hanbin said: The Chinese party, government, and people treasure greatly and attach importance to Sino-Korean friendship, and such friendship is reflected in a concrete way by the exchange of visits conducted regularly by delegations from the two countries. Sino-Korean friendship will definitely continue to develop with the joint efforts of the two countries.

Wang Hanbin said: China pays close attention to the situation on the Korean peninsula and is pleased with the positive changes [ji ji bian hua 4480 2817 6239 0553] taking place over here recently. China endorses dialogue between North and South Korea, as well as DPRK-U.S. talks, and efforts made by the DPRK to relax the situation on the Korean peninsula and to attain peaceful reunification through its own initiative.

The Chinese NPC delegation arrived in Korea on 13 September for a visit at the invitation of the Supreme People's Assembly of Korea.

ROK To Import 110 Tons of Chinese Heavy Water

SK1609122093 Seoul YONHAP in English 1201 GMT 16 Sep 93

[Text] Beijing, Sept. 16 (YONHAP)—South Korea will import 110 tons of heavy water worth 25.63 million U.S. dollars for reactor No. 2 of its Wolsong Nuclear Power Plant, an informed source here said on Thursday.

Wolsong's No. 2 reactor, to be completed in June 1997, will require 455 tons of heavy water, and South Korea will buy the remaining 345 tons from Canada, according to the source.

The source said an import contract would be concluded shortly as both sides had tentatively agreed on a price of 233,000 dollars per ton.

In view of South Korea's nuclear power plant construction plan, the import of Chinese heavy water would pave the way for the two countries to step up cooperation in nuclear power generation, the source said.

Heavy water is used as cooler and moderator of heavy water reactors, and South Korea's heavy water demand is estimated at some 2,200 tons as it plans to build six heavy water reactors, including Wolsong's No. 2.

ROK Call for Exchange of Envoys With DPRK Cited

OW1709115293 Beijing XINHUA in English 1123 GMT 17 Sep 93

[Text] Seoul, September 17 (XINHUA)—South Korea called on the Democratic People's Republic of Korea (DPRK) Friday [17 September] to respond to its call for working-level contact for an exchange of special envoys.

The appeal was contained in a statement issued by southern-side spokesman Song Yong-tae of the Inter-Korean Prime Ministerial Conference, marking the first anniversary of the effectuation of the supplementary agreement to the basic inter-Korean accords.

The DPRK demanded earlier that South Korea suspend what it called a "nuclear war exercise" and abandon efforts to coordinate international cooperation against Pyongyang in order to realize a working-level contact for exchanges of special envoys.

Song said that "we have already made it clear that we are prepared to negotiate flexibly on a possible suspension of military exercises" if the DPRK discusses the nuclear problem and resolves it before everything else.

South Korea and its allies have accused the DPRK of building nuclear weapons or being on the verge of doing so, but Pyongyang has denied the accusation.

Song said that South Korea hopes that it can negotiate with the DPRK for reconciliation and carry out specific agreements to be worked out by joint commissions in various fields as soon as possible.

Jiang Zemin Meets With Japanese Foundation Head

OW1709081093 Beijing XINHUA in English 0741 GMT 17 Sep 93

[Text] Beijing, September 17 (XINHUA)—Chinese President Jiang Zemin met here today with Jin-emon Konishi, chairman of the Japanese Konishi Foundation for International Exchange.

Konishi, who began to work for the promotion of Sino-Japanese friendship in the 1950s, is here on a visit at the invitation of the Ministry of Public Health.

Yesterday, the Chinese ministry awarded him a prize for his contributions to the exchanges between China and Japan in the medical fields.

Japanese Delegations Received by CPPCC Vice Chairmen

Wu Xueqian Meeting

OW1609105393 Beijing XINHUA in English 1039 GMT 16 Sep 93

[Text] Beijing, September 16 (XINHUA)—Wu Xueqian, vice-chairman of the National Committee of the Chinese People's Political Consultative Conference (CPPCC), met and had a friendly conversation with Sumita Shunichi,

president of the Japan Association of Tourist Agents, and his party here this afternoon.

Talk With Wang Zhaoguo

OW1609015293 Beijing XINHUA in English 0135
GMT 16 Sep 93

[Text] Beijing, September 16 (XINHUA)—Wang Zhaoguo, vice-chairman of the Chinese People's Political Consultative Conference (CPPCC) National Committee, met with a delegation from Japan-China Junior Training Association headed by its Vice President Yosuke Nakae here this morning.

The Japanese visitors arrived here yesterday. Besides Beijing, they are scheduled to tour Chongqing, Wuhan and Shanghai.

Southeast Asia & Pacific

Qiao Shi Discusses Ties With SRV Visitors

OW1609133993 Beijing XINHUA in English 1325
GMT 16 Sep 93

[Text] Beijing, September 16 (XINHUA)—Chinese Communist Party leader Qiao Shi today described China's relations with Vietnam as "good" and expressed the hope that those ties will continue to move forward.

Qiao, a Standing Committee member of the Political Bureau of the party's Central Committee and president of the party school directed by the Central Committee, made the remarks at a meeting with a group of officials from a central party school of the Vietnamese Communist Party.

Qiao said China, which is making strong efforts to promote reform and opening up and is speeding up economic construction, is a force for peace and stability in the Asia-Pacific region.

He expressed the hope that problems in the region will be solved through negotiations.

Discussing international issues, Qiao said that the failure of socialism in some countries does not mean the failure of Marxism.

Socialism can score successes so long as people integrate Marxism with actual conditions in their countries and continue to explore and reform, Qiao said.

The visitors are led by Tran Ngoc Hien, deputy head of the Vietnamese central party school. Tran told Qiao that the delegation's visit is aimed at learning from China's experience in running party schools.

Discussions between the Vietnamese and their Chinese hosts over the past two days have been highly beneficial, he said.

Qiao called for the two party schools to exchange experiences and engage in fruitful cooperation.

Cambodian Constituent Assembly Discusses Constitution

OW1509081193 Beijing XINHUA in English 0746
GMT 15 Sep 93

[Text] Phnom Penh, September 15 (XINHUA)—The second plenary session of the Cambodian Constituent Assembly today started to discuss a draft new constitution for the country.

Son Sam, president of the constituent assembly, said at the beginning of today's meeting that "under the constitution, Samdech Norodom Sihanouk would become King of Cambodia in a very democratic and liberal constitutional monarchy."

The Cambodian people want lasting peace and reconstruction of Cambodia, he said. But "lasting peace can never be obtained unless there is national reconciliation" and Sihanouk is the "only personage" to help achieve national reconciliation.

The draft consists of 14 chapters and 140 clauses. The discussion is expected to last three days before the assembly members cast their vote on September 17. If approved, the draft still has to be submitted to Samdech Norodom Sihanouk for endorsement.

"Immediately upon the signature by Sihanouk, the constitution will become effective and the Constituent Assembly will turn into a Permanent National Assembly," an anonymous official told XINHUA.

Li Lanqing Meets Australian Tourism Minister

OW1509063493 Beijing XINHUA in English 0621
GMT 15 Sep 93

[Text] Beijing, September 15 (XINHUA)—Chinese Vice Premier Li Lanqing met with an Australian delegation headed by Minister for Tourism Michael Lee here this morning.

After the meeting, Liu Yi, director of Chinese National Tourism Administration, and Lee signed a memorandum of understanding on tourist cooperation between China and Australia.

Television Agreement Signed With Australia

BK1609041793 Bangkok THE NATION in English
16 Sep 93 p B3

[Text] The Australian Broadcasting Corp (ABC) has signed an agreement with Guangzhou Television and Radio Broadcasting Corporation (GZTV) to further extend the reach of Australia Television International.

A signing ceremony witnessed by Australia's Minister for Trade Senator Peter Cook, took place yesterday in Guangzhou during the final leg of an Australian business delegation trip to China.

ABC believes the agreement with GZTV is an excellent way of improving the understanding between China and Australia, which has been a theme of the delegation's trip.

Under the agreement GZTV will have access to the Australia Television International service for use on one of its cable channels. Australia Television will be the only English language service on GZTV's cable network.

GZTV will also explore the possibility of broadcasting Australia Television programming on a local free-to-air channel and redistributing it to other provincial broadcasters in large parts of southern China.

The cable system in Guangzhou (formerly Canton), Guangdong Province, has 20 channels and is expected to reach one million homes in the near future.

"We are delighted with this new partnership," said Australia Television's General Manager Ben Hawke.

"Being part of the service will provide us with a potential audience of over four million viewers in China's most economically dynamic province.

"Securing the agreement with GZTV is a milestone in Australia Television's development," he added.

Guangdong Province has a population of 49 million people. It is the fastest growing province in China and has the highest rate of foreign investment. It recorded a growth rate of 19 per cent in 1992.

The GZTV agreement was signed by A.T. Director Strategic Development, Rosemary Sinclair and Guangzhou Television Broadcasting (Australia) General Manager Wendell Wu.

Guangzhou Television Broadcasting (Australia) is a subsidiary of GZTV.

The GZTV agreement follows similar re-broadcast agreements with other broadcasters and cable television operators in the Asian region.

Papua New Guinea Independence Day Marked in Beijing

OW1609063793 Beijing XINHUA in English 0624
GMT 16 Sep 93

[Text] Beijing, September 16 (XINHUA)—Larry Hulo, ambassador of Papua New Guinea (PNG) to China, hosted a reception here today to mark the 18th anniversary of the independence of his country.

Chinese Minister in Charge of the State Education Commission Zhu Kaixuan, Vice Foreign Minister Liu Huaqiu and diplomats from a number of countries in Beijing attended the reception.

Near East & South Asia

Reportage on Visit by Mauritanian President

Mauritanian Envoy Interviewed

OW1609131493 Beijing XINHUA in English 1237
GMT 16 Sep 93

[Text] Beijing, September 16 (XINHUA)—The Mauritanian ambassador to China, Hamoud Ely, has said that the

upcoming visit by President Maaouiya Taya will surely strengthen friendship between the Chinese and Mauritanian peoples and push bilateral relations to a new height.

The ambassador made the remark in an interview with XINHUA.

At the invitation of Chinese President Jiang Zemin, Mauritanian President Maaouiya Taya will come to China tomorrow on an eight-day official goodwill visit.

According to the ambassador, President Taya, during his visit, is scheduled to meet or hold talks with the Chinese leaders. The two sides will exchange views on enhancing bilateral cooperation, strengthening friendship between the two peoples and on regional and international issues of common interest.

Commenting on Mauritania-China relations, the ambassador said that the friendly cooperative relations between the two countries in various fields have been developing greatly since the two countries established diplomatic ties in 1965.

In 1971, he noted, the Mauritanian-Chinese Friendship Association was set up in Mauritania, and then a mixed committee between China and Mauritania was established in 1984.

All these have helped to promote bilateral cooperation and deepen friendship and understanding between the two peoples, he added.

Bilateral cooperation in the economic field has been going on smoothly, Ely said, adding that some of the joint projects have been completed and some are under construction.

Exchanges between enterprises of the two countries are becoming "concrete," which is reflected by China's offering technological assistance to Mauritania, he said.

Ely said that Mauritania-China relations enjoy a broad future. Both developing countries, Mauritania and China face the common tasks of peace and developing national economy, he said.

He said that Mauritania appreciates China's principles of "peaceful co-existence, mutual respect and non-interference in each other's internal affairs" in developing nation-to-nation relations.

On relations between China and the African nations, the ambassador said that China and these countries have always been on good terms and China has given a lot of help to the countries in their economic development. They always help and support each other in international affairs, he added.

Since China and the African countries are all developing countries, Ely said, China and those countries share many common characteristics.

China and Africa should strengthen unity so as to meet the new challenges in the new century, the ambassador said.

Beijing Arrival Reported

OW1709043593 Beijing XINHUA in English 0416
GMT 17 Sep 93

[Text] Beijing, September 17 (XINHUA)—Mauritanian President Maaouiya Ould Sid'Ahmed Taya flew in here at noon today to begin his week-long official, goodwill visit to China.

He was met at the airport by Zhu Xun, chairman of the Chinese Government Reception Committee and minister of geology and mineral resources, and Vice Foreign Minister Yang Fuchang.

It is learned that President Taya will be honored at a welcoming ceremony presided over by his host, Chinese President Jiang Zemin later today. Then the two leaders will hold talks on Sino-Mauritanian ties and international issues.

Holds Talks With Jiang Zemin

OW1709140193 Beijing XINHUA in English 1339
GMT 17 Sep 93

[Text] Beijing, September 17 (XINHUA)—President Jiang Zemin and Mauritanian President Maaouiya Ould Sid'Ahmed Taya held talks here today on bilateral ties and international issues.

Taya arrived here earlier today on a week-long visit to China as Jiang's guest.

Jiang described Sino-Mauritanian ties as having a strong basis with the two sides respecting, trusting and supporting each other.

He said that the past 28 years, following the establishment of diplomatic ties, have seen steady growth in cooperation between the two countries.

China and Mauritania, having common or similar views on major international issues, have consistently supported each other and have engaged in effective cooperation, Jiang said.

He also praised Mauritania for sticking to the "one-China" policy.

Reaffirming the Chinese Government's policy of consolidating and developing its relations of friendship and cooperation with Mauritania, Jiang expressed the conviction that President Taya's visit will be useful in pushing forward such ties.

He praised the Mauritanian Government and people, led by President Taya, for safeguarding national independence and sovereignty, eliminating outside interference and maintaining political stability. He also spoke highly of the efforts made by the Mauritanian Government to develop the national economy and improve the people's living conditions.

President Taya expressed satisfaction at the smooth growth in Sino-Mauritanian ties and thanked China for its support and assistance to Mauritania.

He noted that China's economy is growing quickly, while many countries now face an economic slump.

The two leaders also explored means to expand economic cooperation and trade between China and Mauritania.

Discussing international issues, Taya said that the Israel-Palestine agreement is the first step towards settling decades-old problems in the Mideast.

Jiang responded by saying that China was happy to see the agreement signed and described it as "a good beginning in solving the Middle East question."

Taya said that many African countries face economic difficulties resulting from old, unfair international economic relations.

He complained that the prices for Africa's primary products are unfair.

After the talks, the two sides signed an agreement on China giving Mauritania a batch of general goods and another note on postponing the repayment of Mauritania's six loans to Mauritania.

This afternoon, Vice-President Huang Qizao of the All-China Women's Federation met Mrs. Taya.

Prior to the talks, Jiang presided over a welcoming ceremony in honor of President Taya.

This evening Jiang hosted a dinner in the visitors' honor.

Ambassador To Nepal on King Birendra's Upcoming Visit

OW1509032793 Beijing XINHUA in English 0309
GMT 15 Sep 93

[Text] Kathmandu, September 15 (XINHUA)—The coming visit to China by Nepalese King Birendra Bir Bikram Shah Dev will strengthen the traditional friendly ties between the two countries, the Chinese ambassador has said.

In an interview with the Nepal television Tuesday [14 September] night, Ambassador Shao Jiongchu also said that the eighth visit to China by King Birendra, who was described as an old friend of China, will certainly contribute to the further development of the existing friendly relations and to the promotion of the economic cooperation between the two countries.

He told the Nepal television that the king will discuss matters of mutual interest, bilateral relations, regional and international situation with Chinese leaders during his coming visit to China.

The Chinese ambassador added that the Nepalese king will visit some Chinese cities with a view to seeing the economic development in China and acquiring some information about China's economic reform.

Nepalese King Birendra will pay a state visit to China from September 20 to 27 at the invitation of Chinese President Jiang Zemin.

**Zhengzhou Radio on Indian Prime Minister's
Luoyang Visit**

*HK1509151093 Zhengzhou Henan People's Radio
Network in Mandarin 1030 GMT 9 Sep 93*

[Excerpt] The ancient city of Luoyang, in an extraordinarily clean and tidy form, received distinguished guests from afar.

On 8 September, Indian Prime Minister Narasimha Rao and his party, who were on a friendly visit in China, arrived in Luoyang. Accompanying them on the same plane were Liu Qi, minister of metallurgical industry and head of the accompanying group, and some others. Provincial Governor Ma Zhongchen and his wife, as well as persons in charge of relevant provincial units and Luoyang, met them at the airport.

Governor Ma Zhongchen met with and entertained Rao and his party.

Ma Zhongchen said: China and India are bonded by a historic, traditional friendship. The relationship between Luoyang and India has a history of 1,500 years.

Governor Ma expressed the ardent wish that Indian entrepreneurs will come to Henan to seek development in various ways.

Prime Minister Rao expressed appreciation for Governor Ma's remarks and hoped that their visit will serve to strengthen bilateral trade and economic cooperation.

Accompanied by Governor Ma, Rao and his party visited the Longmen Grottoes, Luoyang Museum, and Baima Monastery. [passage omitted]

**Bank Helps Export of Nuclear Equipment to
Pakistan**

*OW1509133993 Beijing XINHUA in English 1254
GMT 15 Sep 93*

[Text] Shanghai, September 15 (XINHUA)—The Shanghai branch of the Industrial and Commercial Bank of China today loaned 268 million yuan to the local power station equipment manufacturing sector.

The loan will be spent on the production of key equipment for a 300,000 kw nuclear power station, which will be exported to Pakistan, and technological renovation of Shanghai's nuclear power industry.

Local scientists started researching peaceful uses of nuclear energy in the early 1970s.

Most of the equipment for the first 300,000 kw nuclear power station of the Qinshan Nuclear Power Plant was made in China, in Shanghai to be exact. The power plant went into operation in December, 1990.

Of the loan, 112 million yuan will be spent on technological renovation of the nuclear power industry in Shanghai, which is endeavoring to master the production know-how of 600,000 kw nuclear power generating units before 1995.

The city plans to have a capacity of producing 1.5 sets of nuclear power-generating units annually from 1995.

'Roundup' Views Upcoming Pakistan Elections

*OW1509092793 Beijing XINHUA in English 0853
GMT 15 Sep 93*

["Roundup" by Hu Xiaoming: "Pakistan Ready for Elections"]

[Text] Islamabad, September 15 (XINHUA)—With completion of the election schedule announced by the Election Commission (EC), Pakistan is set to hold the general elections in October, the third in five years.

According to the final list released by the EC on Tuesday [14 September] night, a total of 1,548 candidates remain in the run for the 217 National Assembly seats after over 800 candidates either withdrew their nomination papers or were declared disqualified.

Former Pakistan caretaker Prime Minister Ghulam Mustafa Jatoi was knocked out of the electoral contest along with his three sons as they failed to pay back the bank loans till September 13, deadline for the repayment, leaving other three former prime ministers, Nawaz Sharif, Benazir Bhutto, and Balxh Sher Mazari in the field.

The final list of the revised candidates for the provincial seats will be released later today.

All the stages of the election schedule, announced on August 20, have been completed on date, Chief Election Commissioner Justice (Retd.) Naimuddin said.

The appointment of presiding officers, assistant presiding officers and polling staff was also in progress and it would be finished next week, he said.

The commission has made full arrangements for the conduct of the elections and there is hardly any possibility left for rigging, the chief election commissioner claimed.

The total strength of registered voters eligible to participate in the elections are 52,297,568 after registration of 365,349 fresh voters.

A total of 34,123 polling stations will be set up throughout the country for elections of the national and provincial assemblies respectively on October 6 and 9.

The polling stations will consist of 116,057 polling booths, maximum four booths at each polling station and maximum 1,500 voters will be assigned to cast their votes at one polling station.

It is the first time in Pakistan's history that the sitting governments, widely considered neutral, are not participating in the elections at either national or provincial level.

In spite of the spate of violence sweeping across the country, the caretaker government reiterated time and again that nothing could prevent or delay the scheduled elections.

So far at least 57 people have been killed in the pre-poll violence such as bomb blast, armed clash and murder, including 38 in election violence.

150,000 army will be deployed to maintain law and order as well as to deal with election mal-practices during the elections.

The election monitoring cell of the army will reportedly compile the final election results, which will be released to the media after being certified by the EC.

Observers here said the trial of strength in the elections will be between Pakistan People's Party (PPP) led by Benazir Bhutto and Pakistan Muslim League (PML) headed by Nawaz Sharif, while Pakistan Islamic Front (PIF), a religious alliance that considers itself the alternative force, will be the third force.

Sub-Saharan Africa

Chi Haotian Receives Zambian Army Commander

OW1509082993 Beijing XINHUA in English 0751
GMT 15 Sep 93

[Text] Beijing, September 15 (XINHUA)—Chinese State Councillor and Minister of National Defense Chi Haotian and visiting Zambian Army commander N.M. Simbeye agreed that the armed forces of the two countries should have more exchanges under the rapidly- changing international situation of today.

Noting that China and Zambia and the two armed forces have enjoyed good relations, General Chi expressed the conviction that the China visit by Simbeye and a group of ranking officers of the Zambian Army will help push forward such ties.

Simbeye said he praised the fruitful cooperation between Zambia and China in various fields including military affairs. The Zambian people and armed forces want to consolidate and enhance the Zambia- China friendship, he said.

The half-hour meeting was followed by a luncheon given by Chi in the visitors' honor. The delegation, which arrived here on Sunday [12 September], is scheduled to leave for east and south China to inspect a number of military establishments.

Envoy Gives Credentials to Mozambican President

OW1509180993 Beijing XINHUA in English 1657
GMT 15 Sep 93

[Text] Maputo, September 15 (XINHUA)—Newly-accredited Chinese Ambassador to Mozambique Mi Shiheng presented his credentials to Mozambican President Joaquim Chissano today at the presidential palace here.

On the relations between the two countries, the Mozambican president said the cooperation between the two countries should be further developed because there are broad prospects for the cooperation.

During the meeting, Mr. Mi conveyed the regards from Chinese President Jiang Zemin and Premier Li Peng to President Chissano.

The Chinese ambassador said he would do his utmost to promote the development of relations between the two countries and expressed his hope that peace can be achieved at an early date in Mozambique.

Mr. Mi Shiheng arrived here on September 7 to assume office.

West Europe

Rong Yiren Leaves Portugal for Spain

OW1709092293 Beijing XINHUA in English 0905
GMT 17 Sep 93

[Text] Porto, September 17 (XINHUA)—Chinese Vice President Rong Yiren ended his five-day official visit to Portugal and left here today for Spain.

At the invitation of Portuguese Prime Minister Cavaco Silva, Vice President Rong arrived in Lisbon on September 12.

Arrives in Seville

OW1709125193 Beijing XINHUA in English 1201
GMT 17 Sep 93

[Text] Seville, Spain, September 17 (XINHUA)—Chinese Vice President Rong Yiren arrived here this morning to begin a six-day visit to Spain.

Rong was greeted at the Seville International Airport by Spain's central government representative in Andalucia, who visited China in 1981.

Rong, who flew in from Lisbon after a five-day visit to Portugal, said at the airport that he hopes his visit will further promote Sino-Spanish relations.

Shortly after his arrival, Rong met with the chairman of Andalusian Government and the mayor of Seville municipal government.

Swedish Deputy Premier Westerberg Continues Trip

Qiao Shi Meets Westerberg

OW1609095793 Beijing XINHUA in English 0937
GMT 16 Sep 93

[Text] Beijing, September 16 (XINHUA)—Qiao Shi, chairman of the Standing Committee of the National People's Congress (NPC) of China, received visiting Swedish Deputy Prime Minister and Minister of Health and Social Affairs Bengt Westerberg and his party here this afternoon.

The two sides exchanged views on bilateral relations and other topics of common interest.

During the meeting, Qiao extended a warm welcome to Westerberg, who is on his first visit to China.

Qiao said the development of relations between China and Sweden in recent years has been good and bilateral contacts have been on the rise.

Qiao said that with different national conditions, China and Sweden might have different views on some issues, which is quite natural.

However, through constant exchanges of views, "we can achieve agreement" on them, he said.

Westerberg said that he was very pleased to meet Qiao and expressed his agreement with Qiao's assessment of the development of bilateral relations in recent years.

Zhu Rongji Meets Westerberg

OW1609144993 Beijing XINHUA in English 1357
GMT 16 Sep 93

[Text] Beijing, September 16 (XINHUA)—Chinese Vice-Premier Zhu Rongji today urged Swedish businessmen not to miss the opportunities offered now to invest in China.

He made the remark when briefing visiting Swedish Deputy Prime Minister and Minister of Health and Social Affairs Bengt Westerberg on China's economic and investment situation. The two leaders had an hour-long talk here this afternoon.

According to Chinese officials, Zhu said he hoped that Swedish entrepreneurs do not hesitate too long to grasp present opportunities to invest in China.

Since his visit to Sweden last year, Zhu said, cooperation and exchanges in the area of business between the two countries, together with high-level contacts, have been enhanced.

Zhu said Westerberg's visit to China would help to augment mutual understanding and friendship between the two countries.

Westerberg said that the visit has left him with a good impression of China.

During their talks, Zhu extended to Westerberg a warm welcome on behalf of the Chinese Government and congratulated him on the success of the visit.

Westerberg and his party arrived here on September 12 for a seven-day visit as guests of the Chinese Government.

Westerberg Leaves for Home

OW1709082493 Beijing XINHUA in English 0744
GMT 17 Sep 93

[Text] Beijing, September 17 (XINHUA)—Swedish Deputy Prime Minister and Minister of Health and Social Affairs Bengt Westerberg left here this morning for home after his visit to China.

Chinese Vice-Foreign Minister Yang Fuchang saw him off at the airport.

Westerberg started his official visit to China on September 12.

Firm Establishes Bus Venture With Sweden

OW1509150993 Beijing XINHUA in English 1438
GMT 15 Sep 93

[Text] Xian, September 15 (XINHUA)—The Xian Silver Bus Corporation, a Sino-Swedish joint venture to manufacture and market buses, was recently founded in this capital of northwest China's Shaanxi Province.

The new company, with capital of 10 million U.S. dollars, is jointly funded by the Xian Aircraft Company and the Swedish vehicle manufacturing group AB Volvo.

The joint venture will produce luxury tourism coaches and intercity buses with 40-51 seats each, using Volvo chassis and components, and the advanced aluminum alloy and aircraft-making technology of the Chinese plane maker.

Advanced international standards will be adopted in the production.

According to an agreement signed between the two sides, the initial annual output will be 1,000 vehicles, and the final output is expected to reach 3,000 units.

The vehicles will be sold at home and abroad by the joint venture. Moreover, the firm will be responsible for after-sales service.

Li Lanqing on French Fighter Sale to Taiwan

PM1709124393 Paris LE FIGARO in French 16 Sep 93
p iii

[Interview with PRC Vice Premier Li Lanqing in Beijing by Jean Leclerc du Sablon; date of interview not stated: "Taiwan Mirages; Beijing Returns to the Attack"—first paragraph is introduction; from LE FIG-ECO section]

[Text] Hardening its stance with regard to France or pretending to do so, Beijing is demanding that the new French Government "cancel the contract for the sale of Mirage 2000-5 aircraft concluded with Taiwan and undertakes to sell no more arms" to the nationalist island that is the rival of the people's China. That is what Chinese Vice Premier Li Lanqing stated in an interview with LE FIGARO. A member of the Politburo, this 61-year-old economist is, inter alia, in charge of China's foreign trade. He is expected in Monaco today at the head of a delegation which has come to campaign with the International Olympic Committee for Beijing's nomination for the Olympic Games. He is regarded as a possible future prime minister.

[Jean Leclerc du Sablon] Despite the political problems which mark Sino-U.S. relations China seems more interested in commerce with the United States than its trade with Europe.

[Li Lanqing] The Chinese Government attaches great importance to its relations with Europe, including France. The economies of China and West Europe are complementary. Trade with the EEC has increased to \$17.4 billion in 1992. It increased 53 percent in the first six months compared with the same period last year.

The pace of trade with France is less than that of trade with the rest of the EEC. The main reason is the repeated emergence of problems caused by the sale of arms to Taiwan.

The French side bears the responsibility. The former French Government authorized the sale of the Mirage to Taiwan, gravely prejudicing the basis of Sino-French cooperation.

We hope that the present government will adopt a stance making it possible to eliminate as rapidly as possible the political obstacles which still impede relations. We are inclined to strengthen friendship and cooperation between China and France.

[Sablon] What specific measures do you have in mind?

[Li] The essential problem at present is not to sell fighter aircraft to Taiwan. That offends the Chinese and threatens our security. The French Government must rectify its past errors, annul the contract already signed for the sale of the Mirage, and undertake to supply no more arms to Taiwan.

[Sablon] The United States is selling 150 F-16 aircraft to Taiwan. You protested, but Sino-U.S. trade has resumed on a larger scale than ever. In the same way you let Italy sell missiles to the nationalists. Yet only France is punished. Are you not pursuing a policy of dual standards?

[Li Lanqing] For the two years I was foreign trade minister I dealt with a number of Sino-U.S. documents: the work of prisoners, most-favored nation status, our GATT candidacy, intellectual rights, and so forth. We settled these problems through consultations, with patience, on the basis of mutual advantage. As for the problem of the F-16 aircraft, ordinary people do not know the details, but politicians know the matter is not closed.

NPC's Chen Muhua Receives French Visitors

OW1709043993 Beijing XINHUA in English 0425
GMT 17 Sep 93

[Text] Beijing, September 17 (XINHUA)—Chen Muhua, vice-chairperson of China's National People's Congress (NPC) Standing Committee, met with Alain Peyrefitte, chairman of group of France-China Friendship of the National Assembly of France, and his party here this morning.

The French guests arrived here September 12. Apart from Beijing, they are also scheduled to visit Guangzhou and Shenzhen.

Firm Signs Aircraft Engine Deal With UK Firm

OW1709101893 Beijing XINHUA in English 1009
GMT 17 Sep 93

[Text] Beijing, September 17 (XINHUA)—An agreement has been signed recently between the China Aviation Supplies Corporation and the British Rolls-Royce Engine Company on compensation trade in plane engine parts.

Sources from relevant departments said the deal is worth 29 million U.S. dollars. It means that British investment will be compensated by a supply of engine parts.

According to the agreement, China's Xian Plane Engine Company will produce some spare parts for the RB211-535E4 engine of the British Rolls-Royce company.

Sources said the agreement will help promote the development of China's plane-making industry.

Related personnel from the China Aviation Supplies Corporation and Xian Plane Engine Company will visit Britain in October to discuss specific details of the agreement with Rolls-Royce.

UK Firm Invests in Shandong Brewery Industry

OW1709001793 Beijing XINHUA in English 2352
GMT 16 Sep 93

[Text] London, September 16 (XINHUA)—Britain's China Investment and Development Fund (CIDF) announced today that it had agreed to acquire 5.5 million U.S. dollar worth of shares in a Chinese brewery in Qufu, home of Confucius.

The investment will account for 28 percent share-holding in a joint venture, formed on the basis of the Qufu Sankong Brewery which markets its products under the Sankong beer label.

This is the fifth investment made by the CIDF, a member of the London Stock Exchange, since it was established in October 1992. The new deal has brought the total funds invested to 26.1 million U.S. dollars.

The CIDF is one of the few funds that has been set up to take minority equity stakes in Chinese companies rather than investing in B shares, the hard currency share for overseas investors.

"Our latest investment in Qufu Sankong Brewery is a prime example of the sort of enterprise we have been looking at—a company with excellent prospects for a long-term return from income and capital appreciation," said Robin Fox, the fund's chairman.

Fox said he believed the Qufu Sankong Brewery has the marketing advantage of locating in the hometown of Confucius so the brand name is well-known in China and in Chinese communities abroad.

The investment is based on the analysis that brewing business generally in China is very profitable, Fox said.

The Qufu brewery is the third largest brewery in Shandong Province and the largest in the Huai Hai economic area which covers several key provinces in the central eastern part of China.

The brewery employs 1,200 people and has a production capacity of 55,000 tonnes per annum. Its products have won major quality awards, both in China and abroad.

With the new flow of capital, the factory will expand its production and increase its profits, which stood at 7.7 million yuan (1.38 million U.S. dollars).

China is now the world's third largest beer producer. It is anticipated that consumption will rise rapidly as the economy continues to grow. Autoprocessing Division

East Europe

Qian Qichen Continues Visit in Croatia

Meets Prime Minister

OW1509134993 Beijing XINHUA in English 1311
GMT 15 Sep 93

[Text] Zagreb, September 15 (XINHUA)—Croatian Prime Minister Nikica Valentice and visiting Chinese Vice-Premier and Foreign Minister Qian Qichen promised here today to further bilateral economic cooperation.

During talks with Qian today, Valentice said that China was one of Croatia's most important trading partners and he expressed the hope for these economic ties to be strengthened in the future.

Qian said that it was commendable for the two countries to maintain developed bilateral economic ties when the issues on former Yugoslavia remained unresolved.

He hoped that both countries would make joint efforts to further the development of bilateral ties.

Valentice appreciated China's efforts in seeking a peaceful solution to the issue on Croatia.

Gives News Conference

OW1709005593 Beijing XINHUA Domestic Service in Chinese 0638 GMT 16 Sep 93

[By reporter Yang Huanqin (2799 3562 0530)]

[Text] Zagreb, 15 Sep (XINHUA)—Qian Qichen, Chinese State Council vice premier and foreign minister, who is currently on a visit, held a news conference on 15 September to set forth China's stance on the situation in the former Yugoslavia.

Qian Qichen pointed out: China supports all proposals and actions conducive to a just, reasonable, and peaceful solution of the crisis in the former Yugoslavia; maintains that its border and those of the former Yugoslav republics should not be changed; and believes that the rights of ethnic minorities in each republic should be respected and protected.

In reply to a question on the role played by UN peacekeeping troops in the region, Qian Qichen said: The UN peacekeeping troops' mission is to prevent conflict and to help refugees return home. The UN resolution specifically stipulated areas under protection by peacekeeping troops that are Croatian territory. Although the peacekeeping troops made great efforts and did much work while implementing the resolution, they were unable to accomplish their mission due to various reasons.

Touching on the Bosnia-Herzegovina issue, Qian Qichen said: As a member of the United Nations, Bosnia-Herzegovina's territory, sovereignty, and borders should be respected. At present, objectively, three forces have emerged in the region. China hopes the ongoing talks will reach an agreement acceptable to all sides.

Ends Visit; Leaves for Home

OW1609121993 Beijing XINHUA in English 1135
GMT 16 Sep 93

[Text] Zagreb, September 16 (XINHUA)—Chinese Vice-Premier and Foreign Minister Qian Qichen ended his visit to Croatia, the last leg of his five East European nation tour, and left here for home today.

During his 10-day East European tour, which also took him to Ukraine, Romania, Albania and Slovenia, Qian discussed with leaders of these countries ways to further strengthen bilateral relations and cooperation.

Returns To Beijing

OW1709035093 Beijing XINHUA in English 0331
GMT 17 Sep 93

[Text] Beijing, September 17 (XINHUA)—Chinese Vice Premier and Foreign Minister Qian Qichen returned here this morning, winding up his successful, official visit to Ukraine, Romania, Albania, Slovenia and Croatia.

Chinese Vice Foreign Minister Liu Huaqiu and diplomatic envoys of the five countries were present at the airport to greet Qian and his party.

Zou Jiahua Continues Visit in Hungary

Attends Aviation Pact Signing

OW1609012393 Beijing XINHUA in English 0116
GMT 16 Sep 93

[Text] Budapest, September 15 (XINHUA)—China and Hungary signed here today an air transportation agreement.

The agreement signed by Chinese Ambassador to Hungary Chen Zhiliu and Hungarian Transportation Minister Gyorgy Schamschula, will pave the way for opening a direct air corridor between the two countries.

Visiting Chinese Vice Premier Zou Jiahua attended the signing ceremony.

Meets President Goncz

OW1609024093 Beijing XINHUA in English 0228
GMT 16 Sep 93

[Text] Budapest, September 15 (XINHUA)—Hungarian President Arpad Goncz said today that to enhance economic relations and cooperation between Hungary and China was in keeping with the basic interests of the two countries.

Meeting with Chinese Vice Premier Zou Jiahua, the president said Hungary hoped for the establishment of international ties in economic development. The Asia-Pacific region including China could play an important role, he added.

Goncz said Hungary and China had good cultural relations, which could promote their cooperation in other fields.

He said that Hungary hoped to further enhance its relations with China in all fields on the basis of the principles of equality and mutual benefit.

During the meeting, Zou said Sino-Hungarian relations had developed in recent years. The two countries had a traditional friendship, and China was willing to seek new forms of economic cooperation and trade between the two countries, he noted.

Earlier today, President of the National Assembly of Hungary Gyorgy Szabad met with Zou. The president said the ties between the two parliaments had been very good

for years. The economic development of the two countries could be further enhanced through exchanges between the two parliaments, he added.

Zou said China and Hungary were facing the common task of economic construction. "We should increase exchanges and learn from each other's strong points to offset our weaknesses," he added.

Before the end of his visit to Hungary, Zou told Chinese and Hungarian reporters that he was optimistic about the prospects of the overall development of bilateral relations.

This visit had been successful and left him a deep impression, Zou said.

Political & Social

Daughter Says Deng Xiaoping 'In Good Health'

OW1709122693 Beijing XINHUA in English 1220
GMT 17 Sep 93

[Text] Hong Kong, September 17 (XINHUA)—Deng Xiaoping is in good health and wishes to come to Hong Kong after China resumes sovereignty over the territory in 1997, his daughter Xiao Rong said in Hong Kong today.

Xiao Rong said this at a reception here today for her book *My Father, Deng Xiaoping (Volume One)*. It was released today in Hong Kong for the first time by the Joint Publishing (H.K.) Co Ltd.

The book depicts the relationship between Deng and other major leaders of the Chinese Communist Party and noted figures in the contemporary history. It gives full play to Deng's family, marriage, personality and habit.

Present at today's reception was Zhou Nan, director of XINHUA NEWS AGENCY Hong Kong branch.

Further on Remarks

HK1709113393 Hong Kong AFP in English 1111 GMT
17 Sep 93

[By Peter Lim]

[Text] Hong Kong, Sept 17 (AFP)—China's senior leader Deng Xiaoping is in good health and drinks a cup of "huang jiu"—Chinese yellow rice wine—each day, his daughter Deng Rong said here Friday while promoting her book on her father. "My father is in excellent health," said Deng's youngest daughter who is also his personal assistant, at the official international launching of her book *My Father, Deng Xiaoping*.

Deng Rong, 43, said "you can see he is in very good health from the photographs," referring to five pictures of the patriarch displayed on the wall of Beijing-run book shop. One of the pictures, taken a day after Deng turned 89 on August 22, shows a beaming but frail Deng posing beside a vase of 89 red roses. Deng is also shown posing in a picture with Deng Rong, another shows him with his wife and five children, another with his wife and four grandchildren, and another shows him taking a stroll assisted by his wife.

"He has no illnesses," claimed Deng Rong, nicknamed "Mao Mao," adding "I'm the one who is always sick. My father still drinks a cup of huang jiu every day," she said, "but his capacity for liquor is not big."

The widely publicised promotion, almost canceled due to tropical storm Becky which lashed the territory Friday, was attended by Zhou Nan, head of XINHUA NEWS AGENCY, China's de facto consulate here, and his deputy Zhang Junsheng. The official launching in Hong Kong, with several police officers posted outside the bookstore in Central district, followed the launch in Beijing last week where her book is reported to be a best seller.

The only official biography of Deng and the accompanying official promotion of the book are part of a campaign to

glorify the architect of China's market-oriented reforms, observers said. The 348-page book, which traces Deng from his birth to 1949 when the Chinese communists came to power in China, was serialized ahead of publication in a Beijing-run newspaper in Hong Kong as well as in the OVERSEAS EDITION of the official PEOPLE'S DAILY [RENMIN RIBAO]. The book which will be followed by a second volume is only available in Chinese but will soon be translated into English, Japanese, French and other languages.

She said "my father has expressed the wish to visit Hong Kong after 1997," when Hong Kong reverts to Chinese sovereignty, adding that it was her father's habit to make realistic wishes. Similar remarks also appeared in Chinese-controlled newspapers in the territory which said the senior Deng was prepared to visit Hong Kong in a wheelchair just for a second so as to have the privilege of standing on the regained Chinese soil.

The bespectacled Deng Rong said her father had read his biography, which is on sale for 98 Hong Kong dollars (13 U.S. dollars) in paperback and 138 dollars for the hardcover. "His comment was 'not bad'."

"That is not bad already," she said, since her father never praised his children, adding she hoped to finish Volume Two within two years. She confirmed earlier a report that her father's doctors had barred him this year from going for his annual summer swim at the exclusive northeastern Chinese beach resort of Beidaihe. "How can an 89-year-old man swim?", she exclaimed.

Li Peng Urges Carrying Out of Anti-Corruption Struggle

OW1709162193 Beijing XINHUA in English 1545
GMT 17 Sep 93

[Text] Beijing, September 17 (XINHUA)—Chinese Premier Li Peng today urged government departments and leading officials at all levels to firmly carry out the decision of the Communist Party Central Committee on anti-corruption struggle.

He made the call this afternoon at the third full session of the State Council, over which he presided.

The session approved, in principle, the State Council's proposals on carrying out anti-corruption struggle and several draft regulations prepared by ministries on banning illegal levying of fees, putting administrative charges and income obtained from administrative penalties under budgetary control, ordering party and government institutions to distance themselves from enterprises they have founded and forbidding private trips abroad using public funds.

Speaking at the meeting, Li Peng noted that in the past few months the party Central Committee and the State Council have focussed on three major issues:

First, the macro-control of the national economy has been strengthened, mainly through economic means, and initial results have been achieved.

Second, the task of building a socialist market economy has been thoroughly studied, along with reform measures concerning banking, finance, control over state assets, investment system and foreign trade.

Third, arrangements have been made to push ahead with the anti-corruption struggle and build an honest government.

Li stressed that these three important issues have great realistic and profound historic significance for building a socialist market economy, pushing forward the healthy development of the reform and opening policies, and economic construction.

He urged government officials to deeply understand general secretary Jiang Zemin's speech on anti-corruption struggle delivered at the second plenary session of the party Central Commission for Discipline Inspection not long ago.

Li noted that departments under the State Council have a very important position of responsibility in the anti-corruption struggle.

The State Council and all the departments under it have done a great deal of work in this regard and have achieved certain results, but the achievements should not be overestimated, Li said.

Negative and corruptive phenomena can still be found among some leading government organs, and the problem is very serious in some places, Li pointed out.

The premier urged leading officials of the State Council and departments under the State Council to be models in respecting discipline and laws, and to be honest in performing their official duties.

The short-term targets for the anti-corruption struggle are to strengthen the self-discipline of leading officials, handle severe corruption cases and curb bad work styles, according to Li.

Vice-Premiers Zhu Rongji and Qian Qichen, state councillors and other members of the State Council attended today's meeting.

Public Health Minister on Corruption in Medical Circles

HK1609151493 Beijing XINHUA Domestic Service in Chinese 0716 GMT 15 Sep 93

[By correspondent Zou Peiyan (6760 3099 7346)]

[Text] Beijing, 15 Sep (XINHUA)—State Councillor Peng Peiyun pointed out a few days ago at a seminar on physicians' ethics called by the Ministry of Public Health: Public health work is closely related to people's lives, health, and intimate interests. To address the problem of physicians' ethics, which is a great concern for the people, public health departments should conduct regular education in medical professional ethics and should have the determination to adopt effective measures to get the job done. Meanwhile, they should deepen reforms in hospitals'

personnel, wage, and distribution systems; adjust unreasonable charges and fees; find a way out through reforms, and strike at the root causes that give rise to unhealthy practices such as "red packets" and "kickbacks."

To carry out the spirit of the central resolution of anticorruption, the Ministry of Public Health gathered more than 10 medical experts to conduct an extensive and in-depth discussion on "red packets" and "kickbacks," which have drawn strong reactions from society, their manifestations, causes, and measures to deal with them.

Chen Minzhang, public health minister, chaired the seminar. He said that, in the struggle against corruption, the public health sector must aim at the problems of "red packets" and "kickbacks" and must be determined to tackle them with the objective of achieving some definitive results by the end of this year.

Former Editor of Daily Released Ahead of Schedule

HK1709033693 Hong Kong LIEN HO PAO in Chinese 17 Sep 93 p 10

[Report by reporter Shih Lei (4258 4320): "Wu Xuecan, Former Editor of RENMIN RIBAO OVERSEAS EDITION, Released Ahead of Schedule"]

[Text] According to a reliable source, Wu Xuecan, former editor of RENMIN RIBAO OVERSEAS EDITION, has been released on parole three months ahead of schedule. He returned home at noon yesterday. This paper gave an exclusive report on this on the 11th of this month. The telephone line of the Wu family was reportedly cut off on the 15th and therefore it is impossible to get in touch with Wu Xuecan at the moment.

In the last few years the Beijing government has released three political prisoners one after another, but it does not want reporters from outside the borders to interview them. It is said the CPC hierarchy does not want to see something happen which will embarrass the authorities before the voting on the Olympic Games and thus affect the number of votes mainland China will get.

Freed Dissident Wei Jingsheng Still Accompanied by Police

HK1709070493 Hong Kong SOUTH CHINA MORNING POST in English 17 Sep 93 p 9

[Report by Geoffrey Crothall in Beijing]

[Text] China's best known dissident, Wei Jingsheng, is "absolutely free", his younger brother Wei Xiaotao said yesterday. Wei Jingsheng, who was released from 14 years in jail on Tuesday morning, has not yet returned home because he wants to "rest and get a better understanding of the situation", his brother said. Wei Xiaotao, a chemical engineer, who was taken to see his brother at a villa to the north of Beijing late on Wednesday evening said the 44-year-old former Democracy Wall activist could return home at any time he wished. His decision not to return home immediately was entirely voluntary, he added. "He

doesn't understand very well today's social life. He said he wanted to better understand current things ... (by) looking around, walking around and chatting," Mr Wei said. "He's probably gone fishing or having shooting practice," he said. However, Wei Jingsheng was still accompanied by police officers everywhere he went, "to make things convenient", he added.

Mr Wei described his brother as being in a good mood and in high spirits. Asked if his brother's political views had changed, he said he was "more mature" and considered things from an overall perspective. "Just after opening up he didn't really understand American political and social democracy. But he's clear on the question of market economics," he said. "Of course he won't be as radical.... I told him to avoid saying too many provocative things. You can be active, but not as extreme as before," he said, adding that there were no restrictions on what his brother would be allowed to do or say.

When he was ready to return to the city, Wei Jingsheng would probably stay with his brother rather than his parents, because his father, a retired senior official from the Ministry of Construction, was old and in ill health. Having a lot of friends over to the house would be inconvenient for Wei Zilin 68, he added. He also said that while relations between father and son were now better, political differences remained.

Wei Xiaotao said his brother's main concern was what he would do on his return to normal life. But he was adamant that his brother would not follow the lead of other released dissidents and go into business. That was "absolutely impossible", he said. Wei Jingsheng did not say in his conversation with his brother whether he would like to get married. Mr Wei's former girlfriend married a German and lives in Germany with their four children.

Wei Xiaotao said the authorities had offered to arrange a press conference for his brother when he felt he was ready to talk to the international and local media. But in a letter handed to Wei Xiaotao, his brother said he needed time to rest before facing the world again. The letter, which the family said was genuine, states: "Respected journalists, ladies and gentlemen. I was paroled on September 14 and am now resting. I will return to the city within a few days and meet all my friends. Thank you all for your concern."

17 'Prisoners of Conscience' Face Trial Next Month

HK1709070693 Hong Kong SOUTH CHINA MORNING POST in English 17 Sep 93 p 9

[Report by Daniel Kwan]

[Text] At least 17 prisoners of conscience will be tried next month by Beijing courts for anti-communist activities, according to Xiao Qiang of the Human Rights in China (HRIC). Sixteen of the dissidents were detained in the capital last summer for allegedly engaging in "counter-revolutionary" activities. Mr Xiao, executive director of the New York-based group, said yesterday. Another dissident, An Ning, who was based in central Henan province,

would also go on trial next month. Mr Xiao said the activists would be charged for their participation in underground anti-communist organizations. It claimed government-sponsored lawyers in Beijing had been warned by the authorities not to represent the activists in courts. The statement blasted China for using the prisoners as "political bargaining chips" and said the latest releases of activists in no way represented an improvement in human rights.

Mr Xiao's statement gave the names of all except one dissident who would be tried next month. Among the 16 activists to be sentenced was 38 year-old bus driver Liu Jingsheng, who was arrested at his Beijing home last year. Liu, a veteran democracy activist, who was co-editor with dissident Wei Jingsheng of the short-lived Democracy Wall journal Explorations [TANSUO], was briefly jailed in 1979. Liu was able to resume his job after his release and little was known about him outside China until his arrest last year. According to an earlier report by the human rights watchdog, Asia Watch, Liu was arrested in June last year and pro-democracy leaflets found at his home were seized by Beijing police.

Three university teachers were identified in a list from Mr Xiao: Hu Shigen of the Beijing Language Institute and Lu Zhigang and Wang Tiancheng, both of Beijing University. Doctor Kang Yuchun of Beijing Kangding District Hospital, worker Chen Qinglin of Tianjin Hangu Saltworks Observatory and student Chen Wei of Beijing Polytechnic were also among the activists named. Other activists whose backgrounds were not specified included Wang Guoqi, Gao Yuxiang, Wang Peizhu, Zhang Chunzhu, Rui Chaohuai, Xing Hongwei, Li Jinli and Li Guojun.

Chinese sources said it was not certain whether judicial authorities would publicize the trials.

Xu Jiatun Hong Kong Memoirs on '4 Jun Turbulence'

Part One

HK1009131793 Hong Kong LIEN HO PAO in Chinese 27 Aug 93 p 2

[First of 12 installments of Chapter 14, "The 4 June Turbulence," from the serialized book *Xu Jiatun's Hong Kong Memoirs* by Xu Jiatun, former director of the XINHUA Hong Kong Branch]

[Text] 1. Raging Tide of Patriotism, Part 1 of 3

Recordings by Hong Kong Media Concerning Activities Supporting the Student Movement Sent To Zhao Ziyang

In January 1989, Fang Lizhi wrote a letter to Deng Xiaoping, pressing for an amnesty for Wei Jingsheng who had been jailed for his involvement in the Xidan Democracy Wall. The following February and March, some well-known figures from China's cultural circles and a number of China's first-grade natural scientists respectively submitted joint open letters to principal leaders of the CPC Central Committee, the State Council, and the central authorities. In their letters, they expressed support

for Fang Lizhi's suggestion and also put forward a series of democratic demands: Reform the existing political system, set political prisoners free, and abolish the practice of convicting people of ideological crimes.

These letters evoked strong repercussions inside the country for, among those who had signed them, many were party members and some were delegates to the National People's Congress and the Chinese People's Political Consultative Conference. Echoing from afar, many famed personages in the intellectual and scientific circles in overseas areas launched signature drives. For a time, China's political climate represented a scene in which the rising wind forebodes the coming storm. I could also feel this in Hong Kong and had a strong premonition that a political turbulence was about to occur.

I ordered the propaganda department of the XINHUA Hong Kong Branch to collect and sort out responses by both the Hong Kong society and the international community and began, through a XINHUA (branch) fax line, to provide the central authorities with information collected overseas for their reference. By doing this, I hoped that they could take notice of overseas responses while seeking a solution to this incident.

Hu Yaobang passed away on 15 April 1989 and university students in Beijing began to take to the streets. By 22 April, the day when Hu Yaobang's memorial meeting was held, tens of thousands of students had gathered in Tiananmen Square. They sent three representatives, who went down on their knees in front of the Great Hall of the People to demand an interview with the principal central leaders. Regrettably, none of the central leaders came out to meet them. My deputies and I saw these scenes on TV in Hong Kong and we all considered the way they handled the situation as inappropriate. Why did Zhao Ziyang or Li Peng not come out and meet the students? If they did not want to do it personally, they could have sent a secretary general to meet the students. It was beyond my comprehension that they totally ignored the possible bad impression they would make and paid no attention to students who had been on their knees for several hours. The students did this out of their love for the motherland and out of their support for the CPC's policy of reform and opening up. There was nothing for them to fear! What made the communist leaders afraid of meeting the masses and students? We all showed disapproval of the way in which the principal central leaders cut themselves off from the masses.

From the time they held demonstrations to present a petition until they called for sit-down protests in Tiananmen Square, from the time when they asked for an interview with central leaders until they demanded a dialogue with central leaders, the students in Beijing did not receive proper treatment from Beijing's leadership. As a result, the situation worsened with each passing day and strong dissatisfaction and resentment was aroused among people in overseas areas. I was burning with anxiety at the time and assigned a special messenger to send some recordings shot in Beijing and transmitted to Hong Kong by Hong Kong reporters, as well as the response from the

Hong Kong media to Zhao Ziyang and the General Office of the CPC Central Committee, hoping to bring these matters to their attention. After he viewed the recordings, Zhao Ziyang told the messenger that he hoped we could continue to send such recordings to him, for he could get more information from the recordings than he could obtain in Beijing, where the incident took place.

Part Two

HK'909134593 Hong Kong LIEN HO PAO in Chinese
28 Aug 93 p 3

[Second of 12 installments of Chapter 14, "The 4 June Turbulence," from the serialized book *Xu Jiatun's Hong Kong Memoirs* by Xu Jiatun, former director of the XINHUA Hong Kong Branch]

[Text] 1. Raging Tide of Patriotism, Part 2 of 3

The Political Bureau Meeting Determines the Nature of the Student Movement as "Turbulence"; Li Peng Has Totally Lost the CPC's Tradition of Relying on the Masses

On 23 April, Zhao Ziyang left Beijing for Pyongyang for a visit. The day following Zhao Ziyang's departure, Li Peng called and presided over a Political Bureau meeting. At the meeting, Li Ximing, secretary of the Beijing Municipal CPC Committee, and Beijing Mayor Chen Xitong briefed the CPC Political Bureau on the latest development in the Beijing student movement. The two exaggerated the actual situation and even distorted and lied about the facts; as a result, the meeting reached the following conclusion on the nature of the student movement: The student movement is an "organized and planned major political turbulence which aims at opposing the party and socialism." After the meeting, Li Peng told Yang Shangkun that he would to send a report to Deng Xiaoping. On 25 April, Deng Xiaoping met both Yang Shangkun and Li Peng. After hearing their reports, Deng Xiaoping agreed with them as well as the Political Bureau's decision on the nature of the student movement.

As soon as Deng Xiaoping made his position known, Li Peng notified that very night the Beijing municipal party and government organs and sent telegrams to all provincial and municipal party committees to relay the decision made by Deng Xiaoping and the Political Bureau. In addition, he asked Hu Qili to prepare an editorial for RENMIN RIBAO. On the following day, that is 26 April, RENMIN RIBAO carried an editorial entitled "We Must Have a Clear-Cut Stand in Opposing Political Turbulence," which openly asserted that the student movement was "a planned conspiracy aimed at fundamentally negating the leadership of the CPC as well as the socialist system." On the same day, mass rallies were held in Beijing and Shanghai respectively for party-member cadres, urging all party members to plunge themselves into this severe political struggle.

After I heard the news, I felt the whole thing was wrong. My analysis at the time was that a small number of foreign and anticommunist forces had poked their nose into the matter and some even played a manipulatory role behind the scenes; however, the student movement itself was a

patriotic one. To the vast numbers of students and citizens, the move to consider the student movement as "turbulence" exaggerated the gravity of the event and dealt a hard blow at many. Such a move did not conform with the reality and was also very unwise.

The release of the editorial evoked strong resentment among the vast numbers of cadres and masses. On the 27 April, nearly 100,000 college students in Beijing took to the streets. Despite the strict order issued by the Beijing Municipal CPC Committee to all organizations that all those who supported the turbulence in action would be fired, transferred, or put under arrest according to the seriousness of their cases, the students won warm response and support from the broad numbers of citizens, cadres, and masses in Beijing. Before 26 April, the target of attack was mainly Li Peng; yet after the release of the editorial, the students began to direct the spearhead of the movement at Deng Xiaoping. According to some children of senior cadres who had access to the Dengs, "Deng was sold out by Li Peng." The "escalation" of the student movement forced Yuan Mu, Chen Xitong, and others to show up and hold "dialogues" with student representatives. However, their insistence on the nature of the student movement as "turbulence" did not relax tension in the least; on the contrary, what they had said added fuel to the flames. On 13 May, several hundred students began a hunger strike and were joined by thousands the following day. Tiananmen, Beijing, and the entire country burst into an uproar and news came out every now and then that more students had collapsed and had been rushed to the hospital. The number of students on hunger strike was growing, among whom some even refused to drink water. It was under such a grim situation that Li Peng reluctantly showed his face in public and held dialogues with representatives of the students on hunger strike. During a televised interview, Li Peng put on a superior manner over the students; and from him, one could not see the faintest suggestion that the CPC was doing mass work. On the one hand, Li Peng told the student representatives that "neither the government nor the party Central Committee has ever considered that the students were staging an upheaval"; yet, on the other hand, he refused to conduct substantive dialogues with the student representatives or to reaffirm that the actions taken by the students were patriotic ones. He also indicated that he would make known his position at an appropriate time, which actually meant that he would not make any change to the "nature" of the movement determined by the RENMIN RIBAO editorial. During the interview, he kept on threatening the representatives of the students on hunger strike and his disgusting manner was extremely unbearable. I watched the interview on TV with some of my colleagues in the XINHUA Hong Kong Branch and we all had a strong aversion to the way Li Peng behaved. We considered that Li Peng had totally lost the CPC's tradition of trusting and relying on the masses. It would be all right if he had not made a public appearance; once he came out and held dialogues with the students, the situation would surely turn for the worse.

On the night of 19 May, merely the second day following his interview, shouting himself blue in the face at a meeting for party, government, and army cadres in Beijing, Li Peng announced: The student movement is a "turbulence" and efforts should be taken to bring down the tumult. Yang Shangkun told the meeting that Army troops had already been transferred into Beijing. Zhao Ziyang did not attend the meeting, from which I got the impression that Zhao Ziyang might have already been ousted from his position and that the situation might take a sudden and rapid turn.

On the following day, Li Peng's order to cordon off the city triggered off protests in Beijing and Hong Kong on a larger scale and the situation was becoming increasingly worse. One million people took to the Beijing streets demanding that the curfew be lifted. The demonstration was unprecedentedly large in strength and impetus and slogans calling for "the downfall of Li Peng" were chanted loudly throughout the streets of Beijing and even people from central and State Council organs also took part in the demonstration carrying banners with slogans.

Part Three

HK1009142993 Hong Kong LIEN HO PAO in Chinese
29 Aug 93 p 2

[Third of 12 installments of Chapter 14, "The 4 June Turbulence," from the serialized book *Xu Jiatun's Hong Kong Memoirs* by Xu Jiatun, former director of the XINHUA Hong Kong Branch]

[Text] 1. Raging Tide of Patriotism, Part 3 of 3

I Did Not Stop the Staff of the XINHUA Hong Kong Branch and China-Funded Institutions From Being Swept Into the Mighty Torrent; It Was Zhang Junsheng's Decision To Use the Phrase "Deep Sorrow" in WEN WEI PO's Editorial

During that period, departing from their old habit of being indifferent to politics, the Hong Kong citizens launched a patriotic campaign. Out of their love for the motherland and Hong Kong, the overwhelming majority of Hong Kong citizens showed their support for reform and demanded the country and the Communist Party attain greater advances. An unprecedented number of citizens, from big capitalists to ordinary citizens like taxi drivers and hawkers, joined the patriotic campaign, including people from the left, middle, and right wings. Several middle-aged big capitalists told me personally that they took part in the grand demonstration attended by 1 million people and walked among the demonstrators for some distance. In an interview with the media, Li Kai-shing openly expressed his support for the patriotic student movement. A number of major shopping malls held "fundraising bazaars" and donated all the income or profits they earned to the patriotic student movement in Tiananmen Square. Hawkers in the streets also voluntarily held "fundraising sales" for the same purpose. During that period, the overwhelming majority of Hong Kong citizens were drawn into the unprecedented mighty torrent of patriotism that swept through every corner of Hong Kong.

Most of the staff in the XINHUA Hong Kong Branch and other China-funded institutions were no exception. They were swept into the torrent on their own initiative and became an extraordinarily conspicuous group in the campaign. Such a scene was also unprecedented in the history of the XINHUA Hong Kong Branch and China-funded institutions.

As early as the beginning of the Tiananmen student movement, some of the staff of the XINHUA Hong Kong Branch and China-funded institutions began to take part in activities in support of the patriotic student movement; while others even launched a signature drive inside the XINHUA Hong Kong Branch.

Deng Hua, who was in charge of party affairs and organizational work, suggested such practices be banned. During a discussion held by the CPC Hong Kong and Macao Work Committee, I said: "We should not ban but persuade them. If they do not listen, let them do what they want. We should not force them to do anything! However, we should do all we can to dissuade leading cadres at the departmental level and above from participating in any social activities, including the signature drive."

As a matter of fact, almost all department heads and their deputies had already signed their names. After hearing the decision by the Hong Kong and Macao Work Committee, most of them withdrew their names, while a small number still insisted on not backing out. When Deng Hua asked me what we should do with these people, I told him: Let them have the choice. Do not push them.

During that period, some cadres from the XINHUA Hong Kong Branch not only took part in demonstrations but also did so under the name of the XINHUA Hong Kong Branch. For example, Xu Haining even delivered a speech at a mass rally held in a horse racing court. To these people I also gave instructions not to blame them. We made a decision at the time that all left-wing mass bodies and trade unions could participate in demonstrations under their official names, while their leading cadres could also openly take part in demonstrations and other activities. In my opinion, if leaders of mass bodies did not participate in such a large-scale patriotic mass campaign in Hong Kong, they would totally cut themselves off from the masses and the mass bodies might either disintegrate or weaken in strength to a considerable extent. When the situation developed and some people began to shout slogans calling for the downfall of Deng Xiaoping, Li Peng, and Yang Shangkun however, we decided that left-wing mass bodies should not chant such slogans. We pointed out that such slogans were too extreme.

We used the same principle for Hong Kong's left-wing papers like WEN WEI PO and TA KUNG PAO. We did not limit their reporting but let them objectively report the situation of the student movement in Beijing and news about Hong Kong's support for the student movement. For the papers themselves, we did not place any limitations but asked them to publish less reports.

On 20 May, after Li Peng had decreed martial law in Beijing, Zhang Junsheng, deputy director of the XINHUA

Hong Kong Branch told me that the staff of WEN WEI PO was ready to reflect their opinion in the editorial and that they planned to choose between the two phrases "Deep Sorrow" and "Nothing More to Say." After some discussion, most WEN WEI PO staff favored the phrase "Nothing More to Say" but Zhang Junsheng opted for the phrase "Deep Sorrow" and asked for my opinion. I knew that their plan was irresistible, although it would have serious consequences. I nodded, showing approval and said: "Go ahead with it." I said this to clearly express that I agreed with his opinion.

The next day, the phrase "Deep Sorrow" appeared in the editorial column on the front page of WEN WEI PO. It was a great shock and was very infuriating to Beijing. Li Peng asked the Hong Kong and Macao Affairs Office to investigate the matter and I had them answer Beijing this way: Hong Kong is different from the mainland and we will handle the matter appropriately. Later, the matter developed into big trouble which I will mention later.

As for my personal feelings, seeing the ardent support of Hong Kong residents for the patriotic student movement and seeing the unprecedented processions, rallies, donation campaigns, and fundraising bazaars, I was in a very complicated frame of mind. The Typhoon Signal No. 8 was hoisted on 20 May but, in spite of the fierce wind and heavy rain, people from all circles gathered in front of the gates of the XINHUA Branch, staging overnight sit-ins, presenting petitions, and singing songs around the clock. Seeing the wind and rain, singing, and hearing the unceasing slogans from my bed room on the 12th floor, all sorts of feelings welled up in my heart. The CPC built itself up by relying on mass movements. In the past, in the interests of the masses, the CPC led them to oppose KMT rule. This time the masses turned against and made demands on the CPC and the CPC not only could not satisfy them but had to suppress them. Faced with this scene, I felt impotent and I could not get to sleep. Seeing the crowds sitting on the ground down there despite the heavy rain and strong wind and hearing their furious songs and catchwords, my tears began to fall.

Part Four

HK1009144993 Hong Kong LIEN HO PAO in Chinese
30 Aug 93 p 2

[Fourth of 12 installments of Chapter 14, "The 4 June Turbulence," from the serialized book *Xu Jiatun's Hong Kong Memoirs* by Xu Jiatun, former director of the XINHUA Hong Kong Branch]

[Text] 2. Involved in the Struggle at the Nucleus, Part 1 of 3

Zhao Ziyang Regrets the 26 April RENMIN RIBAO Editorial and Wants To Ask Yang Shangkun To Persuade Deng Xiaoping To Change the Determination of the Nature of the Student Movement

On 30 April 1989, Zhao Ziyang returned from Pyongyang and called me the next day to go to Beijing. I set off immediately, taking many videos and papers produced by Hong Kong media in relation to the Beijing student movement for Zhao Ziyang to look at.

On 3 May, Zhao and I talked for nearly two hours in his residence. He started by asking for my opinion. I said: "This is a patriotic movement, a movement in support of the reform led by the party; some people want to see further development of the reform and some people worry that the reform will stop or even retrogress."

I told Zhao Ziyang that after arriving in Beijing on 2 May, I met some people and, trying to understand Beijing's situation, found that the student movement had extensive support, including support from the broad masses of party and government cadres. In the society, the people who were the most enthusiastic in supporting the students fell into two categories, one being the individual business operators and the other the managers of the reformed enterprises. Having benefited from the reform, these people worried that the policy would change and things would turn back.

I said: "The current student movement is obviously one which has a high standard and the slogans they shout are strategically smart, for they say they support the party and Deng Xiaoping. On the one hand, most people indeed think this way and, on the other hand, the slogans reflect that some people are helping the students by giving them ideas. I guess perhaps these persons are some of the young teachers and researchers in universities and research institutes and I do not exclude the participation and penetration by certain foreign forces and some anticommunist forces in Hong Kong, but the main direction of the movement is good."

I said that because the 26 April RENMIN RIBAO editorial called the student movement a "turbulence" the conflict was intensified and I thought it was very unwise. I heard that the broad masses of cadres and residents in Beijing were very shocked and most of them said they did not agree with the opinion of the editorial and they swore at Deng Xiaoping: some people said Deng Xiaoping was cheated by Li Peng, Chen Xitong, and Li Ximing. According to allegations, Li Ximing and Chen Xitong said during a meeting of the Political Bureau that the students wanted to riot. Chen Xitong even said that give him 50,000 troops and he would be able to suppress the riot immediately. It seemed that Deng Xiaoping was misled by them.

I proposed that: "We should still carry out mediation and split off a number of people from them but we should not suppress them; we should win over a great majority of students to our side and isolate a small handful of those who are against communism and engaged in destruction."

I also said: "We (the CPC) must not make mistakes again. The Great Cultural Revolution toppled Mao Zedong and brought about the "three faith" (san xin 0005 0207) crisis. We relied on Comrade Xiaoping over the past few years and now we cannot allow Comrade Xiaoping to be toppled again."

After listening to my words, Zhao Ziyang said: "Our views are identical." In particular, he stressed: "We must safeguard Comrade Xiaoping's authoritativeness. I am willing to personally shoulder responsibility. We must explain the

truth to Comrade Xiaoping and change the determination of the nature of the student movement."

Zhao Ziyang said: "In fact, I also have a responsibility for the '26 April' editorial of RENMIN RIBAO. I was in Pyongyang and the Central Committee sent me the draft of the editorial, to solicit my opinion, and I said I agreed. I do not want the Standing Committee to take responsibility. I want to take personal responsibility publicly."

He also said: "The students are asking for clean government, anticorruption, struggle against 'official profiteering,' and struggle against privileges... all these have been proposed by our party and now the students and masses support us, it is a good thing. We must have dialogues and concerning the demands raised by the masses, we accept the reasonable ones. I will make a proposal to the Standing Committee about taking some concrete measures to check and stop the corrupt practices."

Zhao Ziyang talked about some of his concrete ideas, such as the struggle against privileges must first begin from the CPC Central Committee or from the CPC Central Committee Standing Committee. The first measure was to abolish the "special provisions" for the members of the CPC Central Committee Standing Committee (referring to the system of providing food and daily necessities at low prices to cadres at or above the vice premier level) but this measure can be postponed for the very old men. The system of special planes, special trains, and special security guards for members of the CPC Central Committee Standing Committee must be reformed but those several old men may retain the privileges, while the new members of the CPC Central Committee Standing Committee should consider light carriages and small entourages.

Concerning the situation of privileges among the children of senior cadres, Zhao said: "I want to write a letter to the CPC Central Committee asking them to first investigate my children and, if they find any problem, my children will be handled according to the laws of the state; if I am involved, do it the same way." He also said that he would make a suggestion to the National People's Congress Standing Committee about holding a discussion meeting to formulate measures against corruption, official profiteering, and privileges.

We also discussed some other problems, such as those of price increases and inflation. I suggested that in the long run, we should carry out financial reform and that, at present, we should look at whether or not we can increase bank interest rates to promote savings and absorb more floating funds from the society.

We also discussed the issue of the "Beijing College Students Autonomous Federation" and "Beijing Workers Autonomous Federation," that is, besides the traditional trade unions and students groups, there are now spontaneous organizations of workers and students and how should we face them? Zhao Ziyang said that we should not be afraid of these spontaneous organizations and we can let them function and participate in elections. So long as our

masses organizations can represent the interests of the masses, we should not worry about competition with others.

Zhao said the main problem then was to first persuade Comrade Xiaoping to change the determination of the nature of the student movement and second, to solicit opinions from the members of the Standing Committee, to change the resolution. Zhao Ziyang said: "Please give me a helping hand, for you get along well with Shangkun. Please tell him about the ideas we have discussed today and, in particular, the response from the outside world and your views. Then solicit his opinion. If he agrees, please ask him to go to Comrade Xiaoping and persuade him to change the determination of the nature of the student movement."

Zhao Ziyang said he would talk to Li Peng himself. He estimated that among the Standing Committee members of the Political Bureau, Qiao Shi and Hu Qili would agree with him whereas the main problem would come from Li Peng and Yao Yilin.

Part Five

HK1009150593 Hong Kong LIEN HO PAO in Chinese 31 Aug 93 p 2

[Fifth of 12 installments of Chapter 14, "The 4 June Turbulence," from the serialized book *Xu Jiatun's Hong Kong Memoirs* by Xu Jiatun, former director of the XINHUA Hong Kong Branch]

[Text] 2. Involved in the Struggle at the Nucleus, Part 2 of 3

Zhao Ziyang Makes Some Improper Remarks When Meeting Gorbachev and Begins To Lose Power; the Political Bureau Vetoes Zhao's Idea on Handling the Student Movement

I felt I was duty bound so I accepted the job given to me by Zhao Ziyang.

After returning to my house, I immediately made an appointment with Yang Shangkun. The next day, I met Yang Shangkun in his residence and I told him the main contents of the conversation I had with Zhao Ziyang, as well as our ideas. Yang Shangkun said very frankly and readily that he completely agreed with us. Yang also told me that he had just returned from the Great Hall of the People where he listened to Zhao Ziyang's remarks to the head of the Asian Development Bank delegation, as well as to the senior officials of the bank, and he thought his remarks were quite good. He also met Qiao Shi, who also praised the remarks. In his remarks, aimed at the wording in the "26 April" editorial which said the students movement "is a premeditated conspiracy, a turmoil," Zhao Ziyang said that "China will not have a big turmoil" and that the basic demand of the students who took to the streets was "precisely the advocacy of our party and government." He also said that dialogues with various levels must be carried out to solve the problems which concerned all of us.

Thereafter, I learned that Zhao Ziyang's speech had been discussed by the CPC Central Committee Standing Committee. The speech was drafted by Bao Tong, political

secretary to the CPC Central Committee Standing Committee and also Zhao's secretary. When the Standing Committee discussed the speech, Yao Yilin proposed that the content of the struggle against bourgeois liberalization be added to it. Zhao explained a bit, saying that under the current condition, such emphasis would be better temporarily withheld. The members of the Standing Committee all agreed.

Yang Shangkun said to me: "I will go to talk to the grandpa (referring to Deng Xiaoping), you know his temper, he may or may not listen to it. You tell Ziyang to begin work this way and if someone has to take responsibility, I will be the first one." I told Yang Shangkun: "Rumors out there said that this time, if Zhao does not collapse, Li will come down." Yang Shangkun said with curt finality: "No one will come down, neither Zhao nor Li."

After talking to Yang Shangkun, I called Zhao Ziyang to tell him the information and he asked me to meet him again to talk about the details of the conversation I had with Yang Shangkun. Zhao Ziyang told me that he had talked to Li Peng but he did not mention the result.

At that time, Zhao Ziyang's speech at the "May 4th Movement" commemoration meeting and his remarks to the Asian Development Bank officials, had a good response inside the party and from the students and the society, to the extent that Zhao Ziyang and I were too optimistic about the situation at that time. Zhao Ziyang said to me: "It seems the student movement this time can promote the reform." With all this being said and done, I returned to Hong Kong feeling quite relieved. After returning to Hong Kong, I relayed the basic principle for handling the student movement to the working committee (without touching on the relevant situation of the CPC Central Committee Standing Committee); we also discussed the relevant principles and policies regarding Hong Kong and Macao and specifically submitted a written official report to the CPC Central Committee, to support the work by Zhao Ziyang in Beijing. The report contained four points which basically reflected the contents of the conversation I had with Zhao Ziyang in Beijing.

On 13 May, the situation began to change and the students began their hunger strike, which went on for several days, plus the continuous reports and exaggerations by the mass media inside and outside the country, the hunger strike situation became increasingly intense and some students even announced they had begun to refuse to drink any water.

I phoned Zhao Ziyang and Yang Shangkun, suggesting that they should tackle the hunger strike activities and that they could not wait any longer. I suggested that they should arrange several hundred buses; vacate the hospitals; mobilize doctors, nurses, and some work personnel who could all wear white clothes; go there before dawn; and carry the students who are on hunger strike one by one to the hospitals forcefully, with several persons lifting them up or dragging them away; and then they can seal off Tiananmen Square and carry out dialogues. I was worried that if any students died from the hunger strike, the conflict would

further intensify. Both of them said on the phone that this was a good idea. However, I waited and waited and there was no action at all. Perhaps at that time they were also unable to do anything.

On 15 May, CPSU General Secretary Gorbachev visited China. On the morning of 16 May, Deng Xiaoping met Gorbachev and said: "You will meet CPC General Secretary Zhao Ziyang tonight and this signifies normalization of relations between the two parties of China and the Soviet Union." But in the evening, Zhao Ziyang said to Gorbachev: "The senior-level meeting you had with Comrade Deng Xiaoping this morning was the peak of your trip to China and I want to say that your senior-level meeting with him means the restoration of the relations between our two parties and the normalization of relations between our two parties; therefore, the normalization of relations between our two parties is not taking place now but took place this morning." Zhao Ziyang then said: "There was an official resolution at the First Plenary Session of the 13th CPC Central Committee, that is, whenever there is the most important problem, we still need Deng Xiaoping at the helm."

After watching this news on the television, I said to several deputy directors of the news agency that the speech was a mistake, and that maybe he had said this out of goodwill, but to say this at this time would cause misunderstanding by Deng Xiaoping.

Just as expected, information from Beijing said that the CPC Central Committee Standing Committee held a meeting at which Deng Xiaoping did not agree with a change in the determination of the nature of the student movement and Zhao Ziyang had resigned. But in the early morning of 19 May, Zhao Ziyang still went to the square to see the students who were on hunger strike. Later on, I learned that on the night of 18 May, the Political Bureau held a meeting which lasted until midnight and which vetoed Zhao Ziyang's idea on handling the student movement. After the meeting, Zhao went to the square to see the students and said, with tears in his eyes, that he hoped the students would stop the hunger strike and pay attention to their health, adding that he felt sorry for being late in visiting the students.

In Hong Kong, I learned the news about Zhao Ziyang visiting the students in Tiananmen Square and, in light of the fact that there were Hong Kong students who were also on hunger strike and sit-ins day and night in front of the XINHUA building, I decided I should also visit them.

On the spot, a reporter asked me what was my opinion about the student movement, and I said I completely agreed with General Secretary Zhao Ziyang's view.

The same evening (19 May), Li Peng wore a stern expression when declaring martial law in Beijing Municipality.

Part Six

HK1009152093 Hong Kong LIEN HO PAO in Chinese
1 Sep 93 p 2

[Sixth of 12 installments of Chapter 14, "The 4 June Turbulence," from the serialized book *Xu Jiatun's Hong*

Kong Memoirs by Xu Jiatun, former director of the XINHUA Hong Kong Branch]

[Text] 2. Involved in the Struggle at the Nucleus, Part 3 of 3

Beijing Imposes Martial Law To Put Down the Disturbance, the CPC Central Committee Recalls Me To "Say Hi," and Yang Shangkun Assures Me That Li Peng Would Not Be Allowed To Take the Post of General Secretary

On 22 May, the central leadership sent me a telegram asking me to go to Beijing immediately. I guessed it was about the matter of reorganization of the central leadership and I arrived in Beijing on 23 May. A deputy director of the CPC Central Committee General Office met me at the airport but he looked strange and was very nervous. He told me that the policemen in Beijing could no longer carry out their duties; that the workers, students, and residents had set up blockades along the roads in the city, to question car drivers and pedestrians; and that government and army vehicles would probably be detained once they were detected. He said that therefore when the party, government, and military units used vehicles during that time, the number plates would all be changed to ordinary plates. In order to avoid trouble, we took a longer route from the airport to our house. He also told me that the central leadership had already transferred Shanghai CPC Secretary Jiang Zemin to Beijing, who had dressed up as a doctor after getting off the plane to avoid trouble. I asked him why the central leadership transferred Jiang Zemin to Beijing. He replied: "I do not know," adding that he heard that Jiang had already taken over Hu Qili's propaganda work. Because Zhao Ziyang did not participate in the meeting of party, government, and military cadres on 19 May, I was mentally prepared, so I did not ask any more questions. But I did not expect that Jiang Zemin would take the post of general secretary.

On 25 May, Yang Shangkun met me in a lounge beside Mao Zedong's swimming pool in Zhongnanhai. At that moment, they thought the Beijing situation was very serious and many leaders had moved homes. Yang Shangkun and Li Peng moved to Zhongnanhai, living as neighbors, with one staying in the lounge attached to Mao Zedong's swimming pool and the other in the residence in which Mao Zedong stayed until passing away, also beside the pool. When I was waiting for them to come, I learned that this trip was arranged for the central leadership to "say hi" to me and that most of the provincial and city leaders had already been in Beijing and I was the last of several people. As for what would happen during the meeting to "say hi" there was no need to explain, for I could guess 80 to 90 percent of it.

Yang Shangkun did not dwell on the topic we discussed on 4 May. He explained in a straightforward manner: "The Standing Committee has decided that because I am familiar with you and several other people (he did not name those several other persons), it has asked me to personally talk to you." He continued: "The Standing Committee has made a decision and Zhao Ziyang has been suspended from his duties. Comrade Xiaoping said that there is no more room to retreat, so we must declare

martial law and use the People's Liberation Army [PLA] to put down the turmoil. I hope you will understand the situation and support the decision by the central leadership."

I felt bad at that moment and could not speak for a while. After a moment, I said: "Be sure there will not be any bloodshed when the PLA is used!" Yang Shangkun said immediately: "No, there will not." He also said: "The several old marshals, Marshal Xu and Marshal Nie also hold this opinion. They also proposed this idea to the central leadership." He then repeated: "No, there will not be bloodshed." I asked: "Who will become the general secretary?" Yang Shangkun replied: "It has not been decided yet." He then added: "The central leadership has not had time to consider it." I said immediately and earnestly to Yang Shangkun: "Do not let Li Peng get it!" Yang replied definitely: "He will not."

In this process of questions and answers, I was so agitated that I shed tears.

Yang Shangkun also asked some questions about Hong Kong's support for the student movement in Beijing and on the situation of Chinese establishments in Hong Kong. In particular, he was concerned about the run on the Bank of China. Twenty minutes into the meeting he said he had things to do and asked me to go to see Li Peng. He said: "You go to talk to him about the economic conditions in Hong Kong." I asked myself: Was it because I had just expressed my opinion on Li Peng, so he wanted me to go to see Li Peng to ease the relations between Li Peng and myself?

I said goodbye to Yang Shangkun and went to see Li Peng. Li Peng's secretary said Li Peng was attending a meeting of the State Council; he asked me to sit down so he could inform Li Peng to come back immediately. No sooner had I sat down in the reception room, than Li Peng's wife Zhu Lin appeared. She came to greet me and said: "You have worked hard in Hong Kong." She thinks of herself as a very important chief and I felt disgusted and gave her a bitter smile. Zhu Lin sat down and immediately began boasting about her husband: "The old Li in our family uphold the righteous cause and he is not afraid of objections from other people. He is not having an easy job at this time!" She added: "The students are so violent and Zhao Ziyang still goes to play golf..." She chattered interminably as if she considered herself without equal in the world. I had all kinds of feelings. I did not say a single word to her and responded with silence. She became bored and retreated.

Li Peng came in and, before he could sit down, asked in a condemnatory tone: "What happened to WEN WEI PO and TA KUNG PAO? Why did such things occur?" I replied frankly: "It was an impact from Tiananmen Square." Then, I did not explain any more. Perhaps he sensed something and he thought he could not treat me badly in any way at that moment, so he adopted a softer tone and inquired about the situation in Hong Kong. I described the situation and told him that Hong Kong people wildly supported the student movement in Tiananmen Square. After listening to me, Li Peng asked

me to raise the question with the British Hong Kong authorities, to ask the British Hong Kong authorities themselves to restrain the activities. He also asked me to thoroughly investigate the incidents of WEN WEI PO and TA KUNG PAO and handle them seriously. I said frankly to Li Peng: "Hong Kong's situation is different from the mainland and the way to handle things should be different too." I said these words to him in a retort and he was not happy after listening to them. He did not express any more opinions. I did not talk any more about Hong Kong's economic conditions as requested by Yang Shangkun. I just mentioned once more to him the issue of the development of Yangpu Special Zone in Hainan. I did that because I was requested so to do by the Hainan CPC Secretary Xu Shijie, to try once more to persuade Li Peng to approve the report by the Hainan CPC Committee as soon as possible. Li Peng repeated his explanation that he would approve use of land according to projects and refrained from giving any concrete answer. This was the last conversation I had with Li Peng alone and, since the conversation got disagreeable, I said goodbye in less than half an hour.

Part Seven

*HK1009154593 Hong Kong LIEN HO PAO in Chinese
2 Sep 93 p 2*

[Seventh of 12 installments of Chapter 14, "The 4 June Turbulence," from the serialized book *Xu Jiatun's Hong Kong Memoirs* by Xu Jiatun, former director of the XINHUA Hong Kong Branch]

[Text] 2. Involved in the Struggle at the Nucleus, Part 3 of 3

Li Peng Gave Three Instructions. I Relayed Them As They Were But Had Reservations About Them. The CPC Changed Its Nature When It Ordered Police To Shoot Civilians, So I Resolved To Retire

When the Beijing authorities announced the student movement as a turbulence, Ji Pengfei told his secretary to call me twice, suggesting to me (Ji might know my attitude toward the student movement) that I should handle Hong Kong's student movement in accordance with Li Peng's three instructions: 1) Beijing's student movement is a turbulence; 2) it is necessary to conduct positive education among government functionaries and workers so that they will not support students in taking to the streets and, if there is any hint of staff members or workers planning to join students in their activities, the authorities concerned must dissuade them from having their own way or take rigorous measures to stop them; and 3) staff members and workers must persist in work and production.

The Hong Kong and Macao work committee made the following decision after discussions: Li Peng's three instructions will be relayed as they were. Anyone who took exception to the instructions was allowed to have reservations but he must follow the three instructions. In fact, this decision showed that we had reservations about the instructions. I had a conversation with Yang Shangkun in Beijing. After returning to Hong Kong, I briefed the work committee on Yang Shangkun's remarks and reiterated Li Peng's three instructions among the leaders of various

offices. But nobody changed their views on Beijing's student movement and Hong Kong's mass movement.

At 2300 on 3 June, Chen Bojian, deputy director of WEN WEI PO, told me over the telephone: "Beijing police have opened fire on protesters!" His home was in Beijing's Muxidi, where the first bullets were fired.

I sat on the sofa watching television for three days and nights in succession, beginning the night of 3 June, only lying on the sofa when I felt sleepy. In that period, I put two TV sets and a radio in front of me. The television station reported what happened in Beijing every half hour and the radio station every fifteen minutes. In fact, the broadcast media covered Beijing's student movement and reaction in Hong Kong and the outside world round the clock. The contradiction in my inner world and my indignation at that time were beyond description. I told myself: The CPC has changed. The so-called communists in Beijing have changed. How could they set themselves against the people? I resolved to retire. I would not perform my duties any more. I was conscious of my duty to deal with the problems arising from my retirement. I should not leave trouble for the staff members of some offices in Hong Kong. In addition, I intended to make certain arrangements so that I could make practical contributions to, or make a study of, the concept of "one country, two systems" before and after my retirement. I was convinced that the CPC would not collapse though some of its members had proved ineligible. We would still be able to realize communism in the future.

When the CPC Central Committee announced that Jiang Zemin would succeed Zhao Ziyang as general secretary, I immediately asked someone to take a message to Zhao, which contained two sentences: "The people will judge", "take care of your health." The message courier told me when he met me again: After hearing the message Zhao said "thanks." In my view, those who hold firmly to the truth tend to be wronged but history will finally judge. The people will not forget them. The truth is indelible.

3. Great Changes in Public Feeling, Part 1 of 2

The Slogan "What Happened in Beijing Today Will Happen in Hong Kong Tomorrow" Reflected Hong Kong People's Mentality With 1997 Drawing Near. Our Efforts To Win People Over Were Foiled and We Found Ourselves in an Unprecedented Isolated Position

The CPC opened fire on the people on "4 June." The masses bled from the gunshots. Hong Kong people were unprecedentedly disappointed.

Hong Kong people in all walks of life, who were shy about the "1997 deadline," easily associated the "4 June" crack-down with their possible fate after 1997, so they were more and more eager to take part in the movement. The slogan "What Happened in Beijing Today Will Happen in Hong Kong Tomorrow" clearly showed their mentality at a time when the year 1997 was drawing near and it struck a sympathetic chord among the citizens. A "black" sit-in on a large scale, a "black" denunciation meeting, gatherings and demonstrations of various sizes, and a mass rally and

demonstration with 1 million participants were held in turn. All these activities deeply stirred everyone in Hong Kong, making them throw off their usual apathy toward politics and driving them almost wild about the movement. In the past, "The Internationale" and the "national anthem" were only heard on the mainland but the songs were now being sung by Hong Kong people. The song "Blood-Stained Honorable Image" became a popular one. Such a practice of displaying inner feelings by singing a song left us not knowing whether to laugh or cry.

The people affected by the movement far outnumbered those taking part in the gatherings and demonstrations, because people with Left- or right-deviationist thinking and those who remained neutral were all involved.

Almost all locally-hired staff members of the XINHUA Hong Kong branch and left-wing bodies took part in the movement. A considerable number of people at the basic level who used to side with us, including patriotic students and workers and party members including veteran ones took part in the movement. The right-wing forces also openly attended the demonstrations holding high Taiwan's national flag. Almost all Hong Kong people including the big capitalists, laboring people, people with different political perspectives, and a small number of foreigners took part in the movement. There emerged a common practice in society at that time: Whoever did not take part in the movement would be isolated and discriminated against.

In fact the movement implied two things. On the one hand, the great numbers of people expressed their unprecedented patriotism. They hoped the country would carry out further reforms and make progress. They supported the students' patriotic movement for democracy and reform. On the other hand, they expressed their dissatisfaction at the CPC's policies, disbelief in the CPC, and opposition to the CPC and its suppression of students—because such an act was not in the interest of reform and progress.

Of course, we should not rule out the possibility that the movement might have been influenced by forces which were hostile to the CPC and hoped socialist China would collapse. However, this was not the mainstream of the movement.

The fact that all forces and people from all walks of life became involved in the movement forming a patriotic united front opposing Beijing's incorrect policies pointed to a great change in popular feeling. This inflicted a crushing blow on our protracted efforts to win Hong Kong people over, namely to establish a united front of loving China and Hong Kong in Hong Kong, leaving us in an unprecedentedly isolated position.

Part Eight

HK1109010593 Hong Kong LIEN HO PAO in Chinese
3 Sep 93 p 3

[Eighth of 11 installments of Chapter 14, "The 4 June Turbulence," from the serialized book *Xu Jiatun's Hong Kong Memoirs* by Xu Jiatun, former director of the XINHUA Hong Kong Branch]

[Text] 3. Great Changes in Public Feeling, Part 2 of 2

A Total of 17 Billion Hong Kong Dollars Were Withdrawn From the Bank of China in Three Days When Depositors Made a Sudden Run on the Bank; Huang Wenfang led XINHUA Staff To Mourn Those Killed in "4 June" Incident

When Beijing police opened fire on civilians in the "4 June" turbulence, anger burned in Hong Kong people and quite a lot of them expressed condolences for the dead by going on strike, boycotting classes, and closing their shops. The stock market dropped by 1,000 points with the face value of stocks losing 200 billion Hong Kong dollars. Hong Kong's property also lost at least the same amount in value. That is, Hong Kong lost 400 billion Hong Kong dollars in the value of stocks and property.

Since they could not find a better place to vent their political anger, Hong Kong citizens rushed to the Bank of China to empty their accounts. They withdrew 17 billion Hong Kong dollars in three days, showing the bank run came menacingly close. In the 1960's and 1970's, a number of young college students in Hong Kong were regarded as blindly worshipping the national legacy because they supported Mao Zedong Thought and loved the socialist China. These young people had now become the elite of society. Some were presidents or managers of foreign banks' Hong Kong branches while others were chiefs of big companies. After the "4 June" incident, some of them held a meeting and most of the participants angrily proposed bringing down the Bank of China by taking advantage of the bank run. What did this imply? What great change had actually taken place in these young people, who had once loved the country and the CPC most fervently in Hong Kong!

Of course, the bank run was destructive to the financial order in Hong Kong but it was Hong Kong people who bore the consequences. The work committee, after discussions, decided that the Bank of China should immediately approach the Hong Kong government and the Hong Kong Bank for help. They agreed to provide support. The Hong Kong government then issued a statement for this purpose and the Hong Kong Bank also assembled a certain amount of money to help the Bank of China cope with the situation. Naturally, the Bank of China relied mainly upon itself to raise money and the headquarters on the mainland also immediately injected money into its Hong Kong branch to ease the situation as soon as possible.

After the 4 June incident, the emigration tide surged again. Many Hong Kong people stood in a long queue in front of foreign consulates in Hong Kong applying for immigration permits. Quite a number of mainland cadres stationed in Hong Kong, who had been given Hong Kong identity cards, also planned to emigrate and openly joined the queue. Reports of staff members of Chinese embassies and consulates in foreign countries leaving their posts also reached us from time to time.

Many Hong Kong enterprises and companies planned again to relocate their headquarters abroad. Even Li Kashing, who had always said he would not emigrate or

relocate the base of his company overseas, changed his mind, saying that whether or not his company would move base would be decided by the board of directors.

Before the 4 June incident, the XINHUA Hong Kong branch was as crowded as a market place. Even in the period which saw demonstrations, we were in touch with people from all walks of life. After civilians were shot in Tiananmen Square, however, visitors were few and far between. Many people who had established rather good relations with China began to drift away; even those who had built up close relations with China refrained from meeting us, saying that they wanted to make a clean break with the Beijing authorities. Some businessmen suspended their businesses on the mainland or closed their offices there.

After the 4 June incident, some mass organizations in Hong Kong supporting the student movement in Beijing, set up a mourning altar opposite the XINHUA Hong Kong branch office for local people to pay tribute to mainland compatriots killed in Tiananmen Square. Zheng Hua nervously told me that Huang Wenfang took the lead in making a banner and would lead some staff members to the altar to express condolences. Huang Wenfang was director of the Work Toward Taiwan department. It was also he who had urged directors of other departments to take part in a signature campaign. Zheng Hua told me that they failed in their efforts to bring Huang round. Zheng Hua asked me to talk to Huang and he himself would dissuade other staff members from going to the altar. I agreed. I told Huang about the work committee's opinion, hoping he would neither go to the altar himself nor lead staff members to do so. Huang did not say a word. He turned round and then lead local staff members through the gates of the XINHUA local branch office to the altar to pay tribute, holding up a red banner. Zheng Hua only succeeded in dissuading a few staff members from the mainland from taking part in the mourning activities.

For four months, the outer walls of the XINHUA local branch and of the stadium opposite the branch were covered with big-character posters and cartoons. One month after the "4 June" incident, with the approval of the Hong Kong Government, we decided that staff members should clean the wall by themselves. Since it was difficult to remove the glue, the administrative section asked a cleaning company under a China-funded company for help, at our expense of course. The cleaning company, a subsidiary body of a "left-wing" company as it was, refused to accept the order when they knew they were to cleanse the XINHUA local branch's wall of big-character posters.

Nie Weiping, China's national Chinese chess champion, was to make a stopover in Hong Kong on his way to southeast Asia to take part in competitions. Travelling along with him was a bridge team from Zhejiang. I gave a dinner party in their honor at the XINHUA local branch's Stanley guest house. I told them to come at 1600, because I, as a Chinese chess enthusiast, tried to take the opportunity to ask Nie Weiping for advice.

Nie Weiping and other guests arrived a little after 1600. The leader of the bridge team would come later because he had to handle some affairs in Kowloon. We were waiting for him while chatting and he did not arrive until 2100. We asked him why he was so late. He said that four taxi drivers had driven off in succession immediately after he told them he wanted to go to the Stanley guest house of the XINHUA local branch. Later he could only ask a passerby to help him get a taxi by only telling the driver to take him to Stanley, without mentioning his exact destination. Both Nie Weiping and I were shocked by his story. We little expected even people at the basic level, such as taxi drivers, to take such an attitude toward us.

After the 4 June incident, to encourage Hong Kong people to resume contacts with the Chinese side so that they would understand the policy of China's new leading body, I made vigorous efforts to win over those members of the local middle and upper classes who were still willing to get in touch with us and encouraged them to visit Beijing. Y.K. Pao and Li Ka-shing agreed to go to Beijing but they only wanted to meet Deng Xiaoping. I agreed to make arrangements for them and they met Deng in turn. They met me after coming back to Hong Kong and told me about the meetings. Y.K. Pao talked about Deng Xiaoping's tit-for-tat policy toward the British Government while Li Ka-shing expressed his concern in an obscure language: "It is not in Hong Kong's interest to act on Mr Deng's words." I understood that the "Mr Deng's words" he mentioned referred to Deng's policy which Y.K. Pao had told me about.

Later, several groups of people agreed to visit Beijing on condition that they would only meet Jiang Zemin rather than Li Peng. I agreed to make arrangements for them. They succeeded in meeting Jiang later. Some people, however, agreed to see both Jiang Zemin and Li Peng on condition that there would be no media reports on their meeting with Li Peng. I also agreed to make arrangements for them. Only Lo Tak-shing did not mind his meeting with Li Peng being covered by the media.

The majority of Hong Kong people who had met whom-ever in Beijing told me unanimously and disappointedly that "Beijing leaders do not understand Hong Kong." Some people even said that they (meaning the Chinese leaders who had met them) had treated Hong Kong people as the enemy." Under the circumstances, it was inconvenient for me to ask them for details or give them an explanation. Later, Li Hou rang me up to tell me that Jiang Zemin was not willing to meet anybody by himself any more. If Hong Kong people refused to meet Li Peng, it was inconvenient for him to meet them alone. As a result, several groups of people who were to visit Beijing were not able to set off as scheduled for a long time and it was inconvenient to tell them the reason. What I could do was to find an excuse to put off the scheduled trips. I felt profoundly that it would be really difficult for me to discharge my responsibilities in Hong Kong because the local popular feelings had undergone a great change and the Beijing authorities could not, and refused to, appreciate the change.

Part Nine

HK1209024493 Hong Kong LIEN HO PAO in Chinese
4 Sep 93 p 2

[Ninth of 12 installments of Chapter 14, "The 4 June Turbulence," from the serialized book *Xu Jiatun's Hong Kong Memoirs* by Xu Jiatun, former director of the XINHUA Hong Kong Branch]

[Text] 4. Square Accounts after the "Autumn Harvest"?
Part 1 of 3

The "Self-Reflection" Report Used the Term "Beijing Disturbance." Jiang Zemin Wrote a Comment on the Report, Saying That I Should be Transferred to Another Post Because of My Right-Deviationist Thinking

During the 4 June turbulence, many employees of the XINHUA Hong Kong branch and of China-funded bodies took part in demonstrations in support of students' patriotic activities at Tiananmen Square. After the turbulence, the work committee decided that those employees who had taken part in the signature campaign or demonstrations, or who had collected donations in support of the student movement "would not be investigated to determine their criminal liabilities." They could draw lessons from the incident, but were not required to make oral or written self-criticism. The work committee then submitted this decision to the CPC Central Committee for examination and approval. Ji Pengfei soon told us that the work committee's decision had been approved. During the fourth plenary session of the CPC Central Committee, I briefed newly appointed General Secretary Jiang Zemin on the decision, and he consented to it. After coming back to Hong Kong, I relayed the decision and Jiang Zemin's approval to various units, relieving the employees of their uneasiness.

When I went to Beijing to attend a meeting on work in Hong Kong and Macao presided over by Ji Pengfei in July, however, the central authorities demanded that the work committee and its affiliated units make "self-reflection" on the "problems" cropping up in Hong Kong and Macao in the period around 4 June. "Self-reflection" is synonymous with "self-criticism." At that time, every individual and every municipal or central party committee in Beijing made "self-reflection" in turn. In fact, it was a campaign designed to "subject everyone to examination" to "determine their criminal liability." Ji Pengfei had told us that they agreed with the work committee's decision to "let bygones be bygones" and Jiang Zemin had also given his blessing to our decision. Now they went back on their word. I held my tongue, refusing to make known my position. Seeing this, Zhou Nan tried to smooth things over by saying: "It is nothing serious to make self-reflection. The leading party group of our Foreign Ministry also has made self-reflection." I nodded agreement against my will.

After briefing the work committee on the demand to make self-reflection, I expressed my position by saying: "In the entire period around the 4 June turbulence, I said once and again: You (meaning members of the work committee) can

shift the blame onto me for any mistakes the work committee made in handling the mass movement in Hong Kong if the responsibility for the mistakes is to be affixed in the future. In fact, the work committee's decision was made by me. We told staff members we would not punish them for whatever they did in the 4 June turbulence. Now the central authorities wanted us to make 'self-reflection.' In my view, we did nothing wrong, but we are not in a position to defy the demand. I hope you will help me find a solution. If we are to make 'self-reflection,' it is the work committee that will do the job. We had better not tell staff members about it; neither should we commit them to making 'self-reflection.' If there is anything wrong with the work committee's 'self-reflection,' it is only I who is to blame." Few participants spoke at the meeting, but we still finally decided to "write a self-reflection report." The job was assigned to She Mengxiao, deputy director cum secretary general of the XINHUA Hong Kong branch. I thought over the job for several days and also discussed it with She. She had made the first draft before I had a conversation with him. Our consensus was that we had no mistakes to examine. Instead, we could "write down our understanding" of the turbulence as the lesson drawn therefrom.

How should we term the patriotic student movement in Beijing and the mass movement in Hong Kong and Macao in support of the student movement? Should we term it as "turmoil" or "riot" in the "self-reflection" report. After repeated discussions, we decided to term it as "Beijing's turbulence."

The "reflection report," after being passed by the work committee, was submitted to the central authorities. At the fifth plenary session of the CPC Central Committee, which was held in October, Ji Pengfei, when speaking about the self-reflection report, unexpectedly said: "Your 'self-reflection' report is excellent!" I was so excited that I doubted whether what I heard was true.

In the period between July and August, a cadre of the Hong Kong and Macao Affairs Office told me in private: Jiang Zemin made a "comment" on the "self-reflection," which was roughly to the effect: "It seems that Xu Jiatun has right-deviationist thinking. He should be transferred to another post." The CPC Central Committee General Office sent the "comment" to the secretariat of the Hong Kong and Macao Affairs Office. The "comment," however, was taken back by the General Office before it was given to Secretary General Li Hou. The person who withdrew the comment gave no explanation. I believed what the cadre told me. Earlier this cadre broke another piece of news to me: Jiang Zemin took two days to listen to Li Hou and Lu Ping's reports. He did not know what Li Hou and Lu Ping had told Jiang Zemin. The expression he wore when he talked to me suggested the reports were to my disadvantage.

Jiang Zemin had a conversation with me during the Fourth Plenary Session of the CPC Central Committee, when he had been formally enthroned as CPC general secretary. We exchanged views in a rather harmonious atmosphere. Jiang sponsored the work committee's decision: No staff members of PRC offices in Hong Kong and Macao will be taken

to task for taking part in any activities in support of students in Beijing. In reality, as the party's general secretary, he approved the work committee's decision on behalf of the CPC Central Committee.

He changed his attitude after hearing Li Hou and Lu Ping's reports. During my several visits to Beijing earlier, whenever my secretary asked his secretary (who came Beijing from Shanghai together with Jiang) to assign a time for me to brief Jiang on the situation in Hong Kong and Macao, the latter was very friendly and make arrangements immediately. Things were different later. His secretary kept "speaking in a bureaucratic tone," saying Jiang Zemin had a tight schedule and that I would be sent for when Jiang was free, but there was no news whatsoever afterward. If this happened only once, I would forget it, but it happened twice and then three times, prompting me to come to the conclusion that when one is promoted to a high leadership position, he will change. I also had a premonition that Jiang Zemin had changed his opinion of me.

The message given to me by the cadre proved my feeling. Jiang Zemin had labelled me a right-deviationist element and prepared to "square accounts with me."

During the party's fifth plenary session, I visited Song Ping, head of the CPC Central Committee Organization Department, on my own initiative, telling him I hoped the central authorities would approve my retirement. That was how I started seeking retirement. I will deal with the issue later.

Part 10

HK1209062093 Hong Kong LIEN HO PAO in Chinese
5 Sep 93 p 2

[10th of 12 installments of Chapter 14, "The 4 June Turbulence," from the serialized book *Xu Jiatun's Hong Kong Memoirs* by Xu Jiatun, former director of the XINHUA Hong Kong Branch]

[Text] 4. Square Accounts After the "Autumn Harvest?"
Part 2 of 3

Zeng Jianhui Says It Is Imaginable for WEI WEN PO and TA KUNG PAO To Swear at the CPC; Chen Baijian Says He Is Ready To Be Transferred to Beijing and Go To Jail

After the 4 June storm "subsided," from the CPC Central Committee to city party committees, government departments, Army units, schools, and social groups, everyone had to go through an inspection process and make "reflection"—unit leaders and individuals alike. A large-scale campaign to "settle accounts after the autumn harvest" was underway. Although the CPC approved implementation of the "let bygones be bygones" principle in Hong Kong and Macao—one that was suggested by the working committee—it actually kept exerting pressure, and tried to "settle accounts." What was different was that in Beijing it was a thorough "settlement of accounts," whereas in Hong Kong only some individuals were sorted out.

At the end of June, the Hong Kong and Macao Affairs Office specifically notified the working committee that I must go to Beijing to attend a meeting, to discuss the

reports carried by the Hong Kong and Macao papers during the 4 June period. I discussed this matter with Zhang Junsheng and we decided that when we made the report, we would emphasize the then situation in Hong Kong, we would say that although the two newspapers exceeded the limit in carrying some reports, we had already announced that all the wrongdoers in the past would not be pursued with their responsibilities, and we also would say that to "change" things, we cannot act hastily but step by step, while the key point is to let everyone receive education.

Zhang Junsheng and I attended the meeting, which was presided over by Ji Pengfei; others taking part were still those several officials from the Hong Kong and Macao Affairs Office and the Foreign Ministry. In particular, Zhu Muzhi, head of the Central Overseas Publicity Group, and Zeng Jianhui, deputy head of the CPC Central Committee Propaganda Department, attended the meeting.

When the meeting started, Zeng Jianhui asked in a condemning tone: "What happened to WEN WEI PO and TA KUNG PAO?" His tone was almost the same as the condemning tone used by Li Peng when meeting me on 25 May. Zhu Muzhi immediately chimed in with him, and said the working committee should make a report on the problem of WEN WEI PO and TA KUNG PAO.

Zhang Junsheng made a report based on the prepared outline. Zeng Jianhui kept interrupting, and attacked: "It is indeed unimaginable for the CPC's own newspapers to swear at the CPC itself!" I estimated that they had come armed with the "imperial sword," so I waited for their "instructions."

Zhang Junsheng went on with the report and reached the part on the principle for handling the matter as suggested by the working committee; he said changes must be carried out step by step and not hastily, the staff of the two newspapers should be allowed to accept changes and receive education gradually, for haste may cause trouble, and the society also should be allowed to accept things gradually. At that moment, I saw Zeng Jianhui shaking his head continuously.

I added some points. In the beginning, I still used the viewpoint which I used to explain things to Li Peng: The two newspapers cannot be judged by the mainland standard, and the way of handling things on the mainland after the 4 June incident should not be used to handle these two newspapers. During the 4 June period, the two newspapers' way of doing things was the only alternative, and at that time in Hong Kong—both in the society and within the newspapers—the degree of agitation among the people made things beyond the control of the leaders of the newspapers. This was also true for our working committee. In order to remain intact amid the rush by the masses inside and outside the newspapers, the papers adopted the expedient measure. We must imagine the situation facing the leaders of the newspapers in that time. I stressed: To handle WEN WEI PO and TA KUNG PAO, especially WEN WEI PO, there should be no haste, and the method used on the mainland should all the more be avoided. (At

that time, various news organizations on the mainland were thoroughly "settling accounts after autumn harvest" and "examining everyone to see if they can pass," and a large number of reporters and editors were transferred, dismissed, and even arrested.) Now that we have already announced the "let bygones be bygones" principle, which was approved by the central leadership, we can only strengthen education on this basis, and seek changes step by step, so that they can have a process of receiving education.

After listening to my remarks, Zhu Muzhi and Zeng Jianhui looked at each other without expressing consensus or objection. It seemed that other persons participating in the meeting could not add anything, and Ji Pengfei did not say anything to make clear his attitude. As they did not voice any different opinion openly, I thought they agreed with me.

Zhu Muzhi still wanted to say something, and he asked: "How about running a party organ like RENMIN RIBAO in Hong Kong?" Zeng Jianhui followed suit: "How about changing either WEN WEI PO or TA KUNG PAO into party organ?" Hence, Ji Pengfei also joined the discussion.

I could not agree with them. Running a party organ like RENMIN RIBAO in Hong Kong has no chance of success, and RENMIN RIBAO Overseas Edition is an example. In light of the atmosphere at that moment, it would not be convenient to oppose them, so I said without any serious intention that "we will look into that after going home." They agreed, and the meeting was adjourned.

After returning to Hong Kong, the working committee held a meeting and invited Yang Qi, party-member director of TA KUNG PAO, and Chen Baijian, party-member deputy director of WEN WEI PO, to attend. After listening to the message, everyone felt a great deal of pressure, but everyone upheld the principle that to handle the two newspapers, "changes" are needed on the one hand, and on the other hand, there should be no haste or pressure. The "changes" should follow the method of "easing up" step by step, so that the process is acceptable to the people inside and outside the two news units. The two newspapers were asked to do work simultaneously for party members and non-party members. The working committee decided that Zhang Junsheng would go to see Li Zisong, director of WEN WEI PO, to tell him the decision by Beijing and the working committee, and to seek his understanding and support.

The persuasion work was very difficult, which was understandable. The problem was that Chen Baijian, deputy director of WEN WEI PO, acted rashly and often made some improper remarks, so contradictions could not be eased. He himself was rather emotional, and often had disputes with Zhang Junsheng. On a certain occasion, he even said to someone that he was ready to be transferred back to Beijing at any time, stripped of his party membership, and put in jail. In light of this, I went to talk to Chen Baijian, and said: "Your problem during the student movement was not that serious. You have reached an advanced age and should have retired a long time ago.

Take it easy; you will not get anything more than some disciplinary action. This may be the last test for the people like us, do not be too nervous. It is better to do the current job well." We were old friends. When the XINHUA headquarters asked him to retire, it was I who told him to stay and work for WEN WEI PO. I said jokingly: "We have made the same mistake. If there is any problem, let us face it together." I did not expect my prophecy to be fulfilled. I arrived in the United States, and he was transferred back to the mainland. Shortly afterward, I learned from newspapers that he had passed away, and I was saddened for a long time.

Part 11

HK1209062793 Hong Kong LIEN HO PAO in Chinese
6 Sep 93 p 2

[11th of 12 installments of Chapter 14, "The 4 June Turbulence," from serialized book *Xu Jiatun's Hong Kong Memoirs* by Xu Jiatun, former director of the Hong Kong XINHUA Branch]

[Text] 4. Square Accounts After the "Autumn Harvest"
Part 3 of 3

After Being Told That "The Friends of WEN WEI PO" Wanted WEN WEI PO To Become an Independent Paper, I Came Up With an Erroneous Judgment. I Still Feel Compunction About That Now

Chen Po-chien and some colleagues were on very bad terms with Director Li Tzu-sung. Li Tzu-sung and some other colleagues could not straighten out their thinking about the "change." On the other hand, Chen Po-chien was overanxious to see the "change" materialized. As the paper had to reach readers every day and also be scrutinized by those in Beijing who were equally anxious to see how a paper, "through which the Communist Party criticizes itself," would "change," I was told that Chen Po-chien was arguing with others almost every day. In the end, "The Friends of WEN WEI PO" was set up, thereby giving rise to more contradictions.

Zhang Junsheng said at a regular meeting of our work committee (which was convened every day) that he had been told that Li Tzu-sung had dinner one day with Liu Binyan, Lu Keng, and Chin Hsiao-ju, and had discussed setting up "The Friends of WEN WEI PO" with them in order to turn WEN WEI PO into an independent newspaper outside the left camp. Zhang added that he was not clear about the background of that organization, which he believed, might have received support from Taiwan or a foreign country, but most probably Taiwan. Zhang said that "The Friends of WEN WEI PO" had already issued a public statement, calling on WEN WEI PO to "take the initiative" to act as the "bridgehead of writers and soldiers." The situation was very serious, indeed. Therefore, our meeting made the following two decisions: 1. Chen Po-chien was to call an executive meeting of the paper and invite Li Tzu-sung to attend. If the above-mentioned information were verified, then a public statement was to be issued to clarify the fact; 2. The case was to be reported

to Beijing for the record so that our work committee would not be blamed once the paper really "became independent."

Chen Po-chien immediately went back to the paper's head office and drafted a "statement." Li Tzu-sung, however, did not agree to the "statement." Chen Po-chien then called an enlarged emergency meeting attended by the paper's committee members, who approved the "statement." Li Tzu-sung refused to attend the meeting and issued a written circular accusing Chen Po-chien of overstepping his authority by having illegally called an enlarged emergency meeting attended by the paper's committee members. In the circular, Li Tzu-sung also made public his decision to remove Chen Po-chien from office as deputy director of WEN WEI PO (Chen Po-chien previously had been appointed by Li Tzu-sung as deputy director of the paper and had received a certificate of appointment signed by him.)

It was already later than 2200. Zhang Junsheng demanded that an emergency work committee meeting be held at once to discuss the WEN WEI PO incident. Zhang believed that the fact that Li Tzu-sung had abruptly fired Chen Po-chien had already verified information concerning "The Friends of WEN WEI PO." If no corresponding measures were taken, WEN WEI PO would be in danger of "being pulled out of the camp."

At the meeting, someone suggested that both the board of directors and the committee of WEN WEI PO be reshuffled, Li Tzu-sung be relieved of all his posts, and all those involved in the incident be dealt with accordingly. Nevertheless, considering that WEN WEI PO is a paper of the united front and the handling of the paper in such a way would contravene the law of Hong Kong, for a time, we could not find a better way of handling the incident and feared that the situation soon would become irredeemable if we failed to solve the problem at once, and if Li Tzu-sung took a further step toward changing WEN WEI PO the next day.

Therefore, I agreed to solving the problem in a decisive manner, but did not agree to relieving Li Tzu-sung of all his posts. Li Tzu-sung was an old friend of the CPC; he was not the initiator of "Friends of WEN WEI PO." Nevertheless, the situation already had developed to such a stage that it would be impossible for us to solve the problem if we failed to remove him from office as the paper's director. At the same time, however, we also should leave some room for maneuver. Thus I suggested that Li Tzu-sung be allowed to remain as director of the paper's board and continue to enjoy his privileges (including political and economic privileges). My suggestion was approved by those attending the meeting.

At the meeting, we also discussed a number of other issues, including ways of relieving Li Tzu-sung from office as the paper's director. Somebody suggested that we "suspend his prolonged employment." The method was approved by those attending the meeting.

Another issue discussed at the meeting was how we should transfer shares of WEN WEI PO to a XINHUA-designated

agent. As one-third of Hong Kong's WEN WEI PO shares were still owned by Shanghai's WEN HUI BAO, we had to contact the Shanghai Municipal CPC Committee and ask them to transfer those shares to us. As some shares also were owned by Chin Hsiao-ju, the paper's former chief editor, who had left the paper already, we also had to obtain his shares to secure a sufficient number for the XINHUA Hong Kong Branch.

As Chin Hsiao-ju was involved in "The Friends of WEN WEI PO" activities, someone suggested that Chin Hsiao-ju be removed from office as a member of WEN WEI PO's board of directors. I did not agree to that, saying that the decision could be made only at a meeting attended by all members of the paper's board of directors, and that the XINHUA Hong Kong Branch was in no position to make that decision. As a result, we failed to agree on exactly how we should deal with Chin Hsiao-ju.

Someone suggested that we submit our decision to Beijing for approval. I thought about that until late at night, and decided that the decision should be carried out without further delay. Moreover, if we submitted our decision to Beijing for approval, our work committee would be blamed by people in Beijing for being "irresolute," and we would be ordered to deal with people involved in the incident in a more severe manner. Thus I stated that we should carry out our decision at once and report it to Beijing for the record.

In the end, the meeting decided that Zhang Junsheng would go to WEN WEI PO in the evening to announce our decision on behalf of the XINHUA Hong Kong Branch, and that I call on Li Tzu-sung at his home the next afternoon and explain the decision to him.

The next afternoon I, with compunction, called on Li Tzu-sung at his home and tried to "explain" our decision to him. What could I say to this patriotic and upright old man? At that time, I could only ask him to show understanding, take care of himself, and suggest that he go on an overseas tour, saying that I would make the necessary arrangements for him if he chose to visit the hinterland. I said with sincerity: "Our revered Comrade Li, you are still a friend of the Communist Party." (At that time, I was still the CPC representative in Hong Kong.)

I felt extremely sorry for Li Tzu-sung. Later on, I felt even more uneasy after learning the truth about "The Friends of WEN WEI PO" and knowing that "The Friends of WEN WEI PO" was not what we had thought originally. Now I would like take this opportunity to give my apologies to our revered Comrade Li.

Part 12

HK1209063793 Hong Kong LIEN HO PAO in Chinese
7 Sep 93 p 2

[12th of 12 installments of Chapter 14, "The 4 June Turbulence," from the serialized book *Xu Jitun's Hong Kong Memoirs* by Xu Jitun, former director of the XINHUA Hong Kong Branch]

[Text] 5. The Incident of the Hong Kong Alliance in Support of the Democratic Patriotic Movement in China

We Agreed That a Clause on Preventing Subversive Activities Should Be Added to the Basic Law. However, Our Demand That the Hong Kong Alliance in Support of the Democratic Patriotic Movement in China [HKASDPMC] Should Be Banned Was Turned Down by the British Government

During the first 10 days of July, Ji Pengfei called and presided over a meeting especially to discuss the post-4 June situation in Hong Kong, and the question of the HKASDPMC, in particular.

The HKASDPMC was composed mainly of radical democrats in Hong Kong and was led by Szeto Wah and Martin Lee Chu-ming. They established the HKASDPMC by exploiting the support expressed by the people of all walks of life in Hong Kong for the patriotic student movement in Tiananmen Square. Undeniably, the HKASDPMC witnessed phenomenal development at that time. It was basically a united front organization formed by the central-right elements—who were the mainstay—as well as the left, central, and right elements. The HKASDPMC was led by the radical democrats. For a time, it received support from nearly each and every Hong Kong-based organization that was bent on seeking democracy and autonomy for Hong Kong, as well as quite a few originally middle-of-the-road organizations that were relatively indifferent to politics, including a number of locally based left-wing organizations. During the 4 June Incident, facing Beijing's vehement tactics of struggle, they shouted such slogans as "Down with Deng, Li, and Yang!" and "Down with Fascism!" They also publicly refused to recognize the legitimacy of the "Li Peng regime" and vowed to have no contact with it.

At the meeting, the Beijing officials maintained that the HKASDPMC was at once an organization that was bent on subverting the Chinese Government and an instrument to be used by some Western countries, as well as by locally based anticommunist forces, to turn Hong Kong into an anticommunist base. The Beijing officials demanded that the British Government "outlaw" the HKASDPMC. Ji Pengfei agreed to a view expressed by Li Hou, who stated: "We should make representations to the British Government, which has connived at the HKASDPMC, and demand that it revoke the HKASDPMC's registration and have it outlawed in Hong Kong."

Our work committee, however, expressed a different view. At the meeting, we made an analysis and said that according to information obtained by our information department, it was true that a handful of people within the HKASDPMC was trying to use the organization to carry out activities to oppose the Chinese Government and the CPC. There were indeed representatives of both foreign and external forces among this handful of people who were bent on turning Hong Kong into an overt or semi-overt anticommunist subversive base. Nevertheless, broad masses of the people had just taken part in HKASDPMC activities and had shouted certain extremist slogans out of

pure indignation. Thus we should adopt a policy of splitting off and winning over some people from the organization, namely, winning over the majority and isolating the tiny minority. We agreed that the Chinese side should make representations to the British side and demand that it have the HKASDPMC outlawed by virtue of relevant legal procedures in Hong Kong because British law prohibits any subversive activities against the Crown. As the HKASDPMC had publicly called for subverting the Chinese Government and shouted slogans calling for overthrowing the Chinese Government, the Chinese side should make representations to the British Government. Nevertheless, we held that it was unlikely the British side would accept our demand. In view of this situation, we should rely mainly on ourselves in doing our work in the future.

As for certain people who were trying to turn Hong Kong into an anticommunist subversive base, we maintained that there had been people in Hong Kong all along who were bent on doing that. This time, those people had simply availed themselves of an opportunity to turn their previously secret activities into overt or semi-overt ones. Our information department had received some initial reports, saying that the HKASDPMC not only had donated cash, but also had sent personnel to help a number of pro-democracy activists flee the mainland. Those who had fled the mainland lived in the homes of those "personnel" upon their arrival and then obtained visas for foreign countries and left the territory. We held that we should concentrate our attack on this tiny group of people.

Without discussing the view voiced by our work committee, the meeting decided to make representations to the British Government and demand that it ban the HKASDPMC. In addition, it decided that we should strengthen other types of work, with a view to gradually weakening and outlawing the HKASDPMC and preventing some Hong Kong-based forces from using the organization as an instrument to subvert the Chinese Government.

The meeting also listened to a speech by Li Hou on resuming the work of drafting the Basic Law. By taking into account what happened in Hong Kong during the 4 June Incident, Li Hou suggested that a clause on preventing subversive activities and a clause on enforcing martial law in Hong Kong in a critical situation should be added to the draft Basic Law. His suggestions were unanimously agreed to by all those attending the meeting.

After the meeting, the Chinese Foreign Ministry and the XINHUA Hong Kong Branch made representations to the British Foreign Office and the British Hong Kong Government, demanding that they ban the HKASDPMC. In Hong Kong, we also molded public opinion to this end. The British Government rejected China's demand on the grounds that the HKASDPMC's registration had not contravened the law of Hong Kong. Nevertheless, we successfully persuaded some left-wing and middle-of-the-road organizations to withdraw from the HKASDPMC. Later on, other middle-of-the-road organizations also withdrew from the HKASDPMC for reasons of their own. However, the HKASDPMC was only slightly "weakened."

On 21 July, RENMIN RIBAO published an article signed by Ai Zhong which was entitled: "One Country, Two Systems Brooks No Violation." We were surprised to read the article, as we had not been informed of its publication beforehand. After making some inquiries about the article, we learned that it had been written by the State Council Hong Kong and Macao Affairs Office. The article evoked strong repercussions in Hong Kong society. In my view, the article was inappropriate in two aspects: First, it made public our internal view that a small number of people were trying to turn Hong Kong into an overt or semi-overt anticommunist base. Its wording looked as if all the Hong Kong people who had publicly voiced their support for the patriotic student movement in Beijing were eager to turn Hong Kong into an anticommunist base, thus attacking the majority and antagonizing too many people. That was not only untrue, as to the facts, but also untactful.

Second, the article almost publicly mentioned Szeto Wah and Martin Lee Chu-ming by name. In my view, by so doing China made it clear that it regarded the two men as its "enemies." Nevertheless, instead of isolating the two men, China made them politically more popular and added to their political capital, thereby making it virtually impossible for us to have any contact with them and carry on our work concerning them. We had already known about the political stand of these two men. As they would become our adversaries in the future political struggles, we not only should carry out a struggle against them, but also cooperate with them. After the 4 June Incident, they made an erroneous judgment of China's situation and employed extremist tactics. As a result, we now had mainly to carry out a struggle against them. However, by almost mentioning them by name, China left itself no room for maneuver, in reality. That was an equally extremist and untactful way of doing things.

I believed that first and foremost we should have tried to clarify the first aspect and conducted more explanatory work so as to dilute the strong repercussions evoked by the RENMIN RIBAO article, differentiate the majority of people from the minority, and make it clear that the so-called "anticommunist base" had nothing to do with the majority of the people. With this in mind, I immediately organized some people to write an article emphasizing this view. No sooner had the article been written than I sent it to Beijing in the hope that it would be published in RENMIN RIBAO. However, Li Hou told me that the article could be published only in LIAOWANG magazine. Since it basically toed the line of the stand of the RENMIN RIBAO article, the article produced only little effect.

After the 4 June incident, I privately had both direct and indirect contacts with Szeto Wah and Martin Lee Chu-ming in hopes of leaving some room for cooperation in the future. Beijing was not aware of these contacts and would not have agreed to them if it had. Had they been aware of those contacts, they definitely would have obstructed them in advance. If they had decided not to criticize me at once, they certainly would have "kept accounts."

Insofar as tactics and principle are concerned, the CPC and the Chinese Government definitely were wrong to try to "ban" and "abolish" the HKASDPMC. They will never achieve that end. Their erroneous tactics will not work in the run-up to 1997 and are unlikely to work after 1997, either. Should they resort to strong measures to "ban" the HKASDPMC after 1997, the CPC and the Chinese Government would have to pay a much bigger political price, thereby landing the future special administrative region [SAR] government in an awkward predicament and undermining the Hong Kong people's confidence in the future SAR government. "Toleration" is the only wise and sensible way of doing things in this respect. However, by winning over the majority of the people and gradually transforming their attitude toward China, China will be able to achieve the desired results, provided it continually expands reform and opening up and that relations between Hong Kong and the mainland become closer with each passing day in the run-up to 1997.

As I was personally involved in the formulation of and agreed to the aforementioned erroneous tactics and principle, undeniably I should be held responsible in this regard.

Population Conference Told of 'Brain Drain'

HK1709071093 Hong Kong SOUTH CHINA
MORNING POST in English 17 Sep 93 p 10

[Report by Sue Green in Darwin]

[Text] Emigration is causing a brain drain in China, with the education levels of those leaving the country higher than the national average, according to a mainland population expert. In making the revelation at a conference here yesterday, Professor Miao Jianhua, of the Institute of Population Development Studies in Shanghai, also said the reasons many gave for wanting to leave did not appear to be genuine. According to Professor Miao, most said they were going abroad to study, but nearly all began repaying the money borrowed to travel almost immediately.

Professor Miao's paper on international migration in China was presented to the Australian Bureau of Immigration and Population Research's conference on Asia-Pacific migration affecting Australia. The paper is based on a March 1990 study of 1,753 passport applicants (one percent) to the Shanghai Emigration and Immigration Office from January 1980 to December 1989. "The international migration study was carried out under the consideration of the consequences that the emigration surge had in the social and economic development of Shanghai; one critical issue, that has been voiced worldwide, was that of brain drain," she said. Professor Miao's institute also studied emigration from Shanghai's Ruijin Ward, chosen because of its level of contact with the outside world before 1949. Relatives of emigrants already abroad were interviewed.

Professor Miao said Japan was the most attractive destination for potential emigrants, with the higher wages available there being a major attraction. She said the percentage of university degree-holders going to Japan was lower at 15.5 than to the other major destinations.

Crackdown on Rhinoceros Horn Speculators Planned

OW1709063493 Beijing XINHUA in English 0626
GMT 17 Sep 93

[Text] Guangzhou, September 17 (XINHUA)—Chinese authorities are delving into a case of rhinoceros horn speculation by a corporation in south China's Guangdong Province.

An investigation team headed by Lin Zongtang, deputy director of the Environmental Protection Committee under the National People's Congress (NPC), yesterday started a 13-day inspection into law enforcement of environmental protection measures in Guangdong.

Lin said his team arrived in Guangzhou to look into rhinoceros horn speculation by a pharmaceutical group corporation in Wuchuan County, Guangdong.

He said he hoped to prevent further losses through swift and severe actions against the lawbreakers in the rhinoceros case.

Lin said he will work out ways with the local government to enhance the protection of wildlife there.

Although China has issued a series of laws, regulations and rules on environment protection in the past 20 years, they have not, in some cases, been strictly abided by and lawbreakers not duly punished. Killing and selling of wildlife under state protection has not totally been checked. This has resulted in environmental pollution and the disruption of ecological systems in some areas, said the NPC official.

To effectively put the problems to an end, the NPC Environmental Protection Committee and the State Council have decided to launch a three-year nationwide audit on law enforcement for protection of the environment.

Lin pointed out that findings provided by the relevant departments and information from the public indicated that the work for environmental and wildlife protection in Guangdong should be further strengthened. The big fire caused by a chemical blast in Shenzhen last month mirrored the graveness of the problem.

He said the people in Guangdong have a custom of eating dishes prepared from wildlife. Therefore, it is a more taxing job to ban the speculation and smuggling of wildlife and audit the many wildlife restaurants in the province.

Lin expressed his resolve to crack down on the culprits.

Guangdong Governor Zhu Senlin, after a discussion with Lin, urged his subordinate departments to cooperate with the investigation team to handle the rhinoceros case swiftly.

Hu Jintao's Speech at Women's Congress

OW1709063693 Beijing XINHUA Domestic Service in Chinese 0935 GMT 1 Sep 93

[Speech by Hu Jintao, member of the Political Bureau Standing Committee and the Secretariat of the CPC Central Committee, at the Seventh National Women's Congress of China on 1 September: "Hold High the Great Banner of Socialism With Chinese Characteristics and Further Bring About a New Situation in the Women's Movement"]

[Text] Beijing, 1 Sep (XINHUA)—Comrades:

The Seventh National Women's Congress of China has ceremoniously opened today. This congress is convened during a time in which our country's reform, opening up, and modernization have entered a new stage of development. This is of great significance in mobilizing women of all nationalities on all fronts across the country to conscientiously implement the guidelines of the 14th party congress and in promoting development of the socialist cause with Chinese characteristics. Entrusted by the party Central Committee, I would like to send warm congratulations to the congress, cordial regards and high respect to women of all nationalities in all circles and large numbers of women workers, and best wishes to women compatriots in Taiwan, Hong Kong, and Macao, as well as Overseas Chinese women.

Since the Third Plenary Session of the party's 11th Central Committee, all party members and the people of all nationalities throughout the country, under the guidance of Comrade Deng Xiaoping's theory of socialism with Chinese characteristics, have unswervingly implemented the party's basic line, bringing about historic changes in our country. A new situation in the women's movement has been developing vigorously. Led by the CPC and holding high the great banner of socialism with Chinese characteristics, large numbers of women have enthusiastically taken active part in reform, opening up, and modernization, making tremendous contributions to promoting economic development and social progress. In the new practice, large numbers of women have tempered themselves by standing tests, bringing about gratifying changes in their mental attitudes. They have noticeably improved their quality. Thus, a large number of outstanding women have come to the fore. Displaying a new style, they have won respect and praise from society. Contemporary Chinese women deserve the description of "holding up half the sky" in reform, opening up, and modernization, and as a great force promoting social and historic progress.

Undertaking the building of socialism with Chinese characteristics under the CPC's leadership represents in a concentrated way the fundamental interests of people of all nationalities across the country, including the broad masses of women. The only way for the current Chinese women's movement to progress or develop is to mobilize and organize the broad masses of women to participate actively in reform, opening up, and modernization and to further liberate themselves during the course of achieving economic development and social progress. The building

of socialism with Chinese characteristics cannot be done without the comprehensive participation and conscientious hard work of women who account for one-half of our country's population. Only when the socialist enthusiasm of the vast number of women is aroused to the maximum extent, pooled, and brought into play, can our cause be successful.

Political and social stability now prevails in our country, and our national economy is developing vigorously. New progress has been made in opening to the outside world and in carrying out reform designed to establish a socialist market economy. New achievements have also been scored in other undertakings. The overall situation is good. The party Central Committee and the State Council have taken or are taking measures to resolve some salient contradictions and problems cropping up in the course of advancement, and some such measures have already yielded desired results. Guided by Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics and the party's basic line, all party members and people throughout the country are vigorously, comprehensively, and accurately implementing the guidelines of the 14th party congress, seizing the opportunity to deepen reform and open wider to the outside world, and striving to promote sustained, rapid, and sound development of the national economy in order to consolidate and develop the fine situation. With economic construction as the central task, they are also gradually strengthening socialist democracy and the legal system and stepping up the building of socialist spiritual civilization. Our goal of building socialism with Chinese characteristics is magnificent, and our historical mission is glorious yet arduous. Chinese women should clearly understand their mission and responsibility, rally closely around the party, and bring their intelligence and wisdom into full play. Working together with other people across the country, they should continue to push our great cause forward.

The broad masses of women should display a pioneering spirit and play the role of "holding up half the sky" in the process of liberating and developing productive forces. The course of events in Chinese revolution and construction tells us that the liberation and development of productive forces always proceeds side-by-side with women's emancipation and advancement. The victory of the New Democratic Revolution and the establishment of the socialist system gave a strong impetus to liberating productive forces, while effecting the greatest women's emancipation in all of history. To further liberate and expand productive forces under the current socialist conditions is the objective demand of historical development, as well as the common aspiration of all Chinese women; it is also the prerequisite for Chinese women's further emancipation and development. In the past 15 years of reform and opening up, the broad masses of women in rural and urban areas across the country have helped liberate and expand productive forces with great enthusiasm and creativity, and they should be able to do a still better job in the future. In line with the 14th CPC National Congress' decision, we will introduce reform to gradually establish an unprecedented socialist market economic system in China. The

establishment and improvement of this new economic system will provide a good opportunity and a huge arena for Chinese women to use their wisdom and talents. The broad masses of women should further emancipate their minds; persistently seek truth from facts; free themselves from the shackles of such backward, traditional ideas as sticking to old ways; and foster thinking and ideas that suit our times, particularly the socialist market economy; and develop a daring pioneering spirit of active exploration and bold practice. As reform continues, we must find solutions to some deep-rooted contradictions, which will inevitably involve readjusting interests. New circumstances and problems in protecting women's lawful rights and interests will crop up. Such problems can be resolved only through deepening reform and strengthening construction of the legal system. The masses of women should correctly deal with contradictions and difficulties in the course of reform, steadfastly advance reform, and constantly make contributions to further liberating and developing productive forces.

The vast number of women are builders of socialist material civilization, as well as an important force promoting the progress of socialist spiritual civilization. In building socialism with Chinese characteristics, we must attend to both material and spiritual civilization. The broad masses of women should play a special role in building socialist spiritual civilization. They should develop patriotism and collectivism, firm their socialist faith, and enhance national dignity and pride. In light of realities, women should actively participate in cultural development in their communities, villages, towns, enterprises, campuses, or families. They should make great efforts to publicize socialist morality and practices; carry forward the Chinese women's traditional virtues of diligence, frugality, devotion, respect for the elderly, and affection for the young; and advocate a healthy, scientific, and civilized life-style. Corrupt and decadent ideas are incompatible with socialist spiritual civilization. The masses of women should conscientiously resist inroads of mammonism, hedonism, and extreme egoism; wage a resolute struggle against negative, corrupt, and evil phenomena; and strive to improve the standard of conduct in their families and among the public.

It is a strategic task of the Chinese women's movement to improve women's overall quality. Scientific and technological progress, economic prosperity, and social development ultimately hinge upon improving the work force's quality. The quality of women has a bearing not only on women's advancement and the elevation of their status, but also on improving the overall quality of the Chinese nation and on the progress of reform and economic construction. The broad masses of women should have a keen sense of historic responsibility and a sense of urgency and strive to improve their own ideological and moral quality and scientific and general knowledge. They should diligently study Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics, grasp its spiritual essence, and persist in integrating the emancipation of minds with seeking truth from facts. They should especially study the scientific approach of creatively applying

the Marxist stand, views, and methods in studying new circumstances and solving new problems. They should foster a correct outlook on life and values, as well as noble mores; further develop a spirit of self-respect, confidence, independence, and determination to seek progress; and strive to overcome their inferiority complexes and dependent mentality. They should devote themselves to the study of knowledge needed for advancing socialist modernization and establishing a socialist market economy, diligently study their profession, and strive to become expert in their respective fields of work and competent personnel in socialist modernization construction.

The All-China Women's Federation is a social mass organization is composed by women from all nationalities and circles around China, under the CPC's leadership, and its purpose is to strive for further liberation. It shoulder the important responsibility of uniting and educating the broad masses of women, as well as working hard to build a prosperous, strong, democratic, and civilized socialist state. Since the Third Plenary Session of the 11th CPC Central Committee, women's federations at all levels have played an important role in reform, opening up, and the modernization drive. The vast number of cadres in women's federations have worked hard in a cautious and conscientious manner and have accomplished great achievements. Under the new circumstances, women's federations are facing a much more arduous mission, and the status and role of their organizations are even more important. Women's federations at all levels should take the theory for building socialism with Chinese characteristics as guidance in upholding the party's basic line, closely centering on economic construction, while launching their work, performing various duties in an all-around way, and bringing out the best in them. They should unite women from all nationalities and circles even closer through the campaigns of "studying culture and skills and competing with one another in making achievements and contributions," "making contributions like a heroine," and other activities with distinctive features to make new great plans and new achievements for advancing China's reform, opening up, and modernization drive. Women's federations should intensify and improve work on ideological and political education and fully practice democratic participation and supervision to speak for and safeguard women's rights and interests in a better way. They should vigorously promote their own reform and improvement, stress work in grass-roots organizations, forge close ties with the broad masses of women, constantly study new conditions and problems, and sum up new experiences so that the work of women's federations will become the work of the people and society too. Children are the motherland's future. Today's children will become a vital new force in the 21st century. Women's federations should coordinate with relevant departments in earnestly implementing the "Program Outlines for the Development of Chinese Children in the 1990's" and strengthen guidance on child-related work, particularly family education, for the sound growth of children. Women's federations should launch various tasks to serve women and children and increase the attraction of their

organizations. They should also strengthen liaison with their counterparts in Hong Kong, Macao, and Taiwan and intensify goodwill exchanges with women around the world to make new contributions to realizing the motherland's reunification and world peace and development, as well as for the success of the Fourth World Women's Congress.

The CPC has always attached importance to the role and status of women and showed concern over their development and progress. China's constitution and many laws and regulations have stipulated that women enjoy equal rights with men in political, economic, cultural, social, and family life, as well as in other areas. The party and the state have taken a series of measures to ensure that women exercise their rights. These measures have all effectively promoted women's status as a whole. Meanwhile, we should be aware that because of restrictions in economic, cultural, and other conditions and because of the influence of old ideas concerning men's domination over women and contempt and even discrimination toward women, we still need to exert protracted and unremitting efforts to realize not only legal equality between men and women, but also true equality between them. Leading party cadres should act as advocates and practitioners of the Marxist view on women. Party committees and governments at all levels should take effective measures to further bring about the supremacy of socialism in protecting women's legitimate rights and interests, raising women's status, and other areas. They should make the development of women's and children's undertakings part of social planning and do their best to really achieve something good for women and children. Party committees at all levels should widen their views and channels, carry out measures, and bravely select outstanding women cadres with ability and political integrity to join leading bodies at various levels. Party committees should strengthen and improve their leadership over the work of women's federations, give support to the organizations of women's federations which independently and creatively launch their work according to laws and their own constitutions, and fully bring women's federations into play as a bridge and link between the party and the broad masses of women and as a social pillar of people's political power. Society should pay attention to women's undertakings, promote women's progress, and advance the women's movement toward continuous, sound development.

Comrades! The great cause of building socialism with Chinese characteristics has closely linked the future and fate of the broad masses of Chinese women with those of the state and the nation. We believe Chinese women with fine traditions will surely accomplish far more glorious achievements with people across the country in their future journey. The Chinese women's movement, which has a glorious history, will certainly write an even more magnificent new chapter. Let us rally still more closely around the CPC Central Committee with Comrade Jiang Zemin as the nucleus; work with one mind; go all out to improve ourselves; assume a down-to-earth attitude; and vigorously make progress to achieve a greater victory in reform, opening up, and the modernization drive!

Let us wish the congress complete success!

CPC Research Office Publishes New Book on Mao Zedong

OW1609141393 Beijing XINHUA Domestic Service in Chinese 0614 GMT 10 Sep 93

[Text] Beijing, 10 Sep (XINHUA)—*Mao Zedong Dizuji* [*Mao Zedong's Footprints*] has been published recently by the CPC Party History Publishing House to mark the centennial of Mao Zedong's birthday. The book was written jointly by the comrades of the party history departments of various provinces, municipalities and autonomous regions, and other central and local departments concerned under the unified direction of the CPC's Central Party History Research Center.

The book contains 72 articles with a total of 450,000 characters. It reflects Mao Zedong's numerous revolutionary activities and shows the course of ideological development of this historic giant.

Book on Mao for Young Readers Published

OW1609141093 Beijing XINHUA Domestic Service in Chinese 0642 GMT 9 Sep 93

[Excerpts] Beijing, 9 Sep (XINHUA)—Education, scientific, and cultural news briefs: [passage omitted]

Zhongguo you ge Mao Zedong Published

Zhongguo you ge Mao Zedong [*There Was a Mao Zedong in China*] (youth edition and children's edition) was formally published recently by the Jiangxi People's Publishing House.

It is reported that the book is the primary reader for the youth's and children's book-reading campaign in Jiangxi Province to mark the centennial of Mao Zedong's birthday. Nearly 3 million youths and children there are participating in the book-reading campaign.

Zhongguo you ge Mao Zedong has distinctive features in terms of its contents and writing style. The children's edition is mainly a recounting of past events and contains 101 carefully selected stories about Mao Zedong. The youth edition integrates readability, ideological education, and science, and it is suitable for young readers. (By reporter Lu Jing [4151 2533]) [passage omitted]

Military

Chi Haotian Urges Anticorruption Campaign

HK1609071593 Beijing JIEFANGJUN BAO in Chinese 6 Sep 93 p 12

[Report by special correspondents Xiong Yan (3574 3601) and Yang Yi (2799 0001): "While Inspecting Wuhan Garrison, General Chi Haotian Urges Army to Play an Exemplary Role in Resisting Corruption and Promoting Incorruptibility"]

[Text] Wuhan, 3 Sep (JIEFANGJUN BAO)—General Chi Haotian, state councillor, member of the Central Military Commission, and minister of national defense, who is in Wuhan to participate in the "1993 International Changjiang-Crossing Festival," inspected the Wuhan garrison this morning, and said: Resisting corruption and promoting incorruptibility is an important issue facing us. Regarding this, the central leadership has proposed a series of measures, and the comrades in our Army should take the lead in studying and implementing them, and always play an exemplary role.

Minister Chi said that resisting corruption and promoting incorruptibility is an issue which has a bearing on the existence or disappearance of our party and country. We must seriously implement the spirit of the 14th party Congress, and meet the main demand raised by General Secretary Jiang to the Army; we must be able to meet political standards, and have real combat skills, a good work style, stringent discipline, and strong logistics. We must righteously emphasize the five kinds of revolutionary spirit advocated by Comrade Xiaoping. We must learn from Su Ning and explicitly oppose mammonism, hedonism, and extreme individualism. He said: Wuhan is a big metropolis in the interior of our country, as well as the place of origin of the 1911 Revolution. How was the Qing Government toppled? How did the Kuomintang collapse? It was all caused by corruption! At present, this problem is one which concerns our whole party, whole Army, and the people in the whole country. We must begin work now, proceeding from ourselves and from our Army to provide a good example. Finally, Minister Chi cited Chairman Mao's famous words, "resist corruption, never touch it," to encourage everyone.

State Issues 'Opinions' on Labor for Veterans

OW1709095893 Beijing XINHUA Domestic Service in Chinese 0820 GMT 1 Sep 93

[By reporter Cao Zhi (2580 2535)]

[Text] Beijing, 1 Sep (XINHUA)—The State Council and the Central Military Commission recently approved and promulgated "Opinions on Practicing the Labor Contract System Among Discharged Compulsory Servicemen by Integrating Reform of Veteran Resettlement with Hiring Units' Own Reform" submitted by the Ministry of Civil Affairs, the Ministry of Labor, and the General Staff Department. The State Council and the Central Military Commission have decided to reform the resettlement policy for compulsory servicemen, beginning this year.

According to the "Opinions," with the constant deepening of economic restructuring in the country, particularly since the State Council promulgated the "Regulations on Transforming the Operational Mechanisms of State-Owned Industrial Enterprises," enterprises have gradually implemented a labor contract system among full-time workers. Adhering to the principle of benefiting both national economic construction and national defense construction, the departments concerned have put forward specific

demands for applying the labor contract system to discharged compulsory servicemen who meet civilian job requirements:

- During the course of reform, hiring units shall apply the labor contract system to discharged compulsory servicemen. Existing practices shall continue if they have not yet implemented the labor contract system among their full-time workers.
- The first civilian job of a discharged compulsory serviceman shall be guaranteed according to law.
- Discharged compulsory servicemen shall enjoy preferential treatment with respect to job contracts and job training.
- Discharged compulsory servicemen who are wounded or handicapped shall be properly resettled. Handicapped veterans who, according to state policies, need to be placed, in accordance with relevant State Council documents and the Central Military Commission, should be given jobs which they are capable of. They will enjoy the same treatment in wages, welfare, and other benefits as other workers who became handicapped in the line of duty. They will not be fired without special reason.
- Retirement pensions, unemployment insurance, and housing and other benefits for discharged compulsory servicemen should be properly ensured. Their length of service, including their time spent awaiting placement, will be incorporated into the length of their civilian job service in computing retirement pensions. They will enjoy the same wages and housing benefits as other workers of the same specialism and length of service.

Hubei District Authorized To Appoint Cadres

HK1609062893 Beijing JIEFANGJUN BAO in Chinese 29 Aug 93 p 2

[Report by Fan Baoshun (5400 0202 7311) and He Xianghua (0149 4382 5478): "The Hubei Provincial CPC Committee Authorizes Provincial Military District To Take Charge of Appointment and Removal of Cadres in People's Armed Forces Departments"]

[Text] To rationalize its management mechanism over people's armed forces cadres, the Hubei Provincial CPC Committee has authorized the provincial military district to take charge of appointment and removal of people's armed forces cadres. The implementation of this decision has facilitated the uniformity of affairs management and personnel administration, prevented "disconnections" in some localities' management over people's armed forces cadres, and helped improve people's armed forces departments and carry out militia work.

The Hubei Provincial CPC Committee pays serious attention to improving the people's armed forces cadre contingent. The provincial party committee's organizational department and the provincial military district's political department have jointly conducted many surveys on improvement of county and city people's armed forces departments. As they pointed out, affairs management

being separated from personnel administration is a major shortcoming in management over people's armed forces cadres. In some localities, armed forces units, and local authorities rely on each other. This is described as dual leadership but, as a matter of fact, no genuine management is being exercised, and "disconnections" and "gaps" have appeared in management over people's armed forces cadres. To change this situation, the provincial party committee made a major decision authorizing departments under the provincial military district to take charge of appointment and removal of people's armed forces cadres in the province, thus unifying affairs management and personnel administration. The dual leadership system still remains in effect. The provincial party committee and the provincial military district have established a people's armed forces work office and formulated "Detailed Rules on Improving Party Committees of County and City (Prefectural) People's Armed Forces Departments" to exercise better management over people's armed forces cadres by improving party committees. With this authorization, the provincial military district and military subdistricts have actively performed their duties under the dual leadership system. On management over cadres, organizational departments of local party committees and political departments of armed forces units are required to conduct joint surveys and studies, with military departments taking charge of the appointment, removal, assignment, and adjustment of people's armed forces cadres. The implementation of this method has achieved improvement of people's armed forces cadre ranks in the province and helped strengthen party committees of county and city people's armed forces departments.

Economic & Agricultural

Zhu Rongji Advocates 'New Wave' of Market Reforms

HK1709070893 Hong Kong SOUTH CHINA MORNING POST in English 17 Sep 93 p 10

[Report by Willy Wolap Lam]

[Text] Executive Vice-Premier Zhu Rongji has thrown his weight behind a new wave of market reforms which have replaced retrenchment and rectification as the focus of economic policy. Mr Zhu sought support for the reforms in his tour of the Shenzhen Special Economic Zone (SEZ) yesterday and on Wednesday.

Chinese sources said with the 2 1/2-month old austerity programme having achieved some results, Mr Zhu was concentrating on the next stage of reform. During talks with banking and economic officials in the SEZ, Mr Zhu said the country must establish a fiscal system "which is orderly and marked by free competition and market mechanisms". The Vice-Premier also expressed the hope that the financial system in Shenzhen would move towards integration with that in Hong Kong and the international marketplace. The sources said while Mr Zhu expressed satisfaction that Shenzhen banks and enterprises had repaid most of their "improperly secured" loans to central

coffers, he urged local officials to do more in combating inflation and wild fluctuations in foreign-exchange rates.

An economic source in Guangdong said Mr Zhu and his advisers had adhered to a three-step strategy to make the transition from the austerity programme to the next stage of reform. "First, the authorities will gradually decrease the use of state fiat", the source said. "Secondly, they would liberalize the banking and financial system. The third stage would be the extension of market reforms to most areas of the economy".

Analysts said Mr Zhu's reforms could benefit from newly released figures and projections which showed economic difficulties had subsided somewhat. For example, economists project that rate of increase in industrial production could drop below 20 percent by the end of the year. In August, bank deposits rose by 36.2 billion yuan (HK\$48.5 billion), an indication that efforts to shrink the money supply might be working. And intake by the national treasury that month was 30.4 percent more than that of August 1992.

In a dispatch last night, XINHUA (the New China News Agency) quoted economists as saying while rectification measures must be further implemented, equal emphasis should be put on "readjusting the (economic) structure and rationalizing the mechanism of (state) investments to ensure the economy develops in a sustained, speedy and healthy way". Beijing's economists said it was the first time in recent months that "high-speed growth" had been mentioned by the official media.

Meanwhile, a leader of the Communist Party's liberal wing, Tian Jiyun, has spoken out in favour of the shareholding system. While touring Shandong province earlier this week, Mr Tian, a vice-chairman of the National People's Congress urged that more village and township enterprises be converted to shareholding and cooperative companies. The former vice-premier said he was happy to see village and township enterprises had accounted for up to two-thirds of the economies of some regions.

Tian Jiyun on Deepening Enterprise Reform in Shandong

OW1709094093 Beijing XINHUA Domestic Service in Chinese 1042 GMT 16 Sep 93

[Text] Jinan, 16 Sep (XINHUA)—During his inspection in Shandong from 6 to 16 September, Tian Jiyun, member of the CPC Central Committee Political Bureau and vice chairman of the National People's Congress [NPC] Standing Committee, emphatically said it is necessary strengthen legislation and law enforcement to safeguard the smooth progress of reform and opening up to the outside world.

During his trip to Shandong, Tian Jiyun visited such cities and prefectures as Qingdao, Weihai, Yantai, and Zibo. He heard work reports made by relevant departments, held discussion meetings, and inspected three economic and

technological development zones, the Qingdao Bonded Zone, as well as some enterprises and agricultural scientific and technological units.

Tian Jiyun paid particular attention to the problems of deepening reform in large and medium-sized enterprises. In Qingdao, he invited responsible comrades of some large and medium-sized enterprises to discuss how to implement the "Enterprises Law" and the "Regulations on the Change of Operating Mechanisms in State-Owned Industrial Enterprises." He said: We should make active efforts to explore new ways of establishing the socialist market economy. In the course of reform, the most difficult and focal point is the reform of state-owned large and medium-sized enterprises. If we achieve success in this reform, we will have a great breakthrough in reform of the economic structure as a whole. He stressed that the main task of the NPC in the future is to safeguard the smooth progress of reform and opening up through enacting and enforcing laws, thereby ensuring the irreversibility of reform by legal means.

In Yantai, Tian Jiyun held a discussion meeting attended by the directors of township and town enterprises, during which he familiarized himself with the detailed development of township and town enterprises, listened to the opinions expressed by these directors, and discussed with them ways of developing township and town enterprises in the future. He said: Without great progress in township and town enterprises, we will not be able to achieve the state of leading a fairly comfortable life in rural areas and realize the drive of agricultural modernization. The past 10 years and more since reform and opening up has witnessed, just as Comrade Deng Xiaoping pointed out, the sudden emergence of township and town enterprises as a new economic force. In Shandong, township and town enterprises dominate half of the local economy and have promoted the development of a large group of small townships, enabling peasants to enjoy urban conveniences in their native places. In the future, we still need to study measures to further protect, guide, encourage, and support township and town enterprises and create a favorable outer environment for their better and quicker development.

During his inspection, Tian Jiyun also visited some NPC deputies and discussed how to improve their role as deputies. He stressed: As NPC deputies, we should always keep in mind that we are elected by the people. As deputies and public servants of the people, we should set strict demands on ourselves and try to perform our jobs well. It is imperative for us to go deep into the realities of life, immerse ourselves among the masses, and understand and reflect the opinions of the people so as to further embody their wishes and will while the organs of power formulate laws and regulations and conduct legal supervision. We should actively participate in various activities organized by the NPC and play a full role as NPC deputies in supervising democratic procedures and law enforcement.

During his inspection, Tian Jiyun was accompanied by Chairman Li Zhen and Vice Chairman Guo Songnian of the Shandong Provincial People's Congress Standing Committee and others.

Statistical Bureau on 'Positive Changes' in Economy

OW1609145693 Beijing XINHUA in English 1403
GMT 16 Sep 93

[Text] Beijing, September 16 (XINHUA)—China's economy has undergone a series of positive changes following deeper implementation of the central authorities' macro-economic control measures, experts from the State Statistical Bureau (SSB) said here today.

The turns indicate that the national economy, which saw a 13.1 percent growth rate in the first half of this year, is turning for the better.

Economists from the SSB stated that the positive changes include a further slowdown in industrial growth, a decrease in investment in fixed assets, an increase in planted autumn crops, a rise in residents' savings deposits, an increase in budget revenue, and a prosperous but stable domestic market.

The latest SSB figures show that in August, the country's industrial growth rate was 23.4 percent, down 1.7 percentage point from July, which in turn was down 5.1 percentage points as against June.

The continued fall in the industrial growth rate indicate that macro-economic control measures adopted since June have achieved positive results, which will help improve the macro-environment for smooth development, the economists said.

According to experts here, the central authorities' macro-economic control measures affected industrial production as quickly as in July. The drop in industrial production, however, was not steep but mild and the function of the market mechanism became more obvious and vibrant.

It is expected that the country's industrial production will continue to slow down in the coming several months until its growth rate drops below 20 percent by the end of this year.

Statistics show that China poured 57.44 billion yuan (about 10.1 billion U.S. dollars) into fixed assets in August this year, 18.1 percent more than in the same month of last year. The growth rate in August, however, was down by 10.4 percentage points over that of the first seven months of this year.

Following the adoption of state measures to support agricultural production and hikes in grain purchasing prices, farmers have been more enthusiastic about grain planting. Total planted areas of autumn crops increased by 4.45 million mu (about 0.3 million hectares) over last year.

In August, savings deposits of Chinese residents rose 36.2 billion yuan, 25.5 billion more than in the same month last year.

According to SSB statistics, total retail sales amounted to 107.08 billion yuan in August, up 23.8 percent over the same month in 1992, but lower than the 28.4 percent rise in June 1993 and 26.5 percent increase in July 1993. The

trend in retail sales indicates that the macro-control measures have yielded desirable effects on consumers' markets.

Last month, China's budget revenues rose 30.4 percent over the same month last year.

Though some positive effects have been witnessed in the past two months, after the government adopted macro-control over the economy, tremendous efforts should be made to fully implement the measures, the economists warned.

The most important task of the present is to readjust the economic structure and improve investment input, they said, adding that steps have to be taken to further rectify the financial order.

They also suggest that a sound investment mechanism be set up to guarantee funds for key state projects and infrastructural building.

Fall in Fixed-Asset Investment Noted

HK1709075693 Beijing CHINA DAILY in English 17 Sep 93 p 1

[By staff reporter Wu Yunhe: "Fixed-Asset Investments Fall by 10.4 Percent"]

[Text] China's new money policy has been successful in cooling its over-heated capital investments.

The country has also cut institutional spending while boosting bank savings, according to an official report.

Fixed-asset investments by State units in August totalled 57.44 billion yuan (\$10 billion), down 10.4 per cent from July, the State Statistics Bureau announced yesterday.

"Shrinking investments reflected a decrease in new capital construction projects in August," the bureau said in its monthly report.

The bureau's figures showed there were 4,716 new projects in August, 1,428 fewer than the same month a year ago.

The bureau's economists said the trend has led to a cut in institutional spending.

They pointed out that last month the country's gross retail sales hit 107.1 billion yuan (\$18.5 billion), up 23.8 per cent from the same month last year; but it fell by 2.7 per cent from July this year.

The month-by-month fall in fixed-assets investments and retail sales was attributed partly to an increase in bank deposit and lending rates; this has led to a marked increase in savings over the past two months.

In August, individual bank savings increased by 36.2 billion yuan (\$6.2 billion), up 25.5 billion yuan (\$4.3 billion) from the same month a year ago.

By the end of August, the country's banks had registered a total of 1355.6 billion yuan (\$233.7 billion) in saving deposits, up 201.1 billion yuan (\$34.7 billion) compared with January this year.

Meanwhile, bank loans to enterprises by the end of August increased by 146.2 billion yuan (\$25.2 billion) compared with January this year.

But they fell by 39.6 billion yuan (\$6.8 billion) compared with the same period last year.

The bureau's economists said efforts should be made to further rationalize the investment structure.

Healthier development of industrial production should be accompanied by keeping inflation at bay.

They said during the first eight months this year, fixed-assets investment in energy and raw material sectors, vital to the national economy, dropped by 9.2 per cent from the same period last year.

Moreover, the persistently high demand for consumer goods has caused the inflation rate in the country's large- and medium-sized cities to linger at 18.7 per cent through the first eight months this year.

In August, the cost of the living price index in these cities was 22.2 per cent higher than the same month last year.

The August growth rate of heavy industry was up 23.6 per cent from the same month a year ago, but down 2.2 per cent from July this year.

More than 93.6 per cent of steel, iron, coal, chemical fertilizer and other heavy industrial products in August were sold on markets, down 2.2 per cent from a month ago.

But at least 95.5 per cent of consumer goods, such as televisions, radio and other products, which were made by light industries, were sold out on markets in August, down only 1.1 per cent from July.

The bureau said that light industrial production last month rose 23.2 per cent from the same period last year.

The slight decline in industrial production has also affected the country's foreign trade, the bureau noted.

Vice Minister of Finance Says Yuan To Float Freely

HK1609142593 Hong Kong TA KUNG PAO in Chinese 16 Sep 93 p 4

["Special dispatch" by staff correspondent Huang Nien-szu (7806 1819 2448): "Renminbi Exchange Rates To Be Unified Next Year"]

[Text] London, 15 Sep—Jin Renqing, Chinese vice minister of finance, revealed today in London that two significant financial reforms in China in the future are going to be: Free floating of the renminbi against foreign currencies, and the issuing of state bonds next year will be done through financial institutions.

Jin Renqing was in London today to attend a signing ceremony for the issue 30 billion yen in Eurobonds. Touching on the problem of the free exchange of renminbi when talking with reporters about China's financial reforms, he said that next year, government administration of foreign exchange will aim at combining the official

and market exchange rates to produce a unified exchange rate. That will be the first step.

Complete and free flotation of the renminbi against foreign currencies, however, will be a process, said Jin Renqing. But it would not take too long to achieve the aim. "On this problem, it is safe to say that there is already a relatively satisfactory timetable."

Jin Renqing said that next year, the government will closely coordinate the issuance of state bonds with financial reforms. Financial institutions will underwrite and market the bonds, in line with the central bank's market operations.

Customs Reports Increases in Imports, Exports

OW1709135993 Beijing XINHUA in English 1352
GMT 17 Sep 93

[Text] Beijing, September 17 (XINHUA)—China chalked up 110.55 billion U.S. dollars in the total value of imports and exports in the first eight months of this year, representing an increase of 15.1 percent over the same period of last year.

Of the total sum, exports made up 52.41 billion U.S. dollars-worth, up four percent over the figure recorded last year, while imports accounted for 58.14 billion U.S. dollars-worth, an increase of 27.3 percent, according to the General Administration of Customs.

However, the increase rate of exports in the January-August period of this year was 12.6 percentage points lower than in the same period of last year. The increase rate for imports in the first eight months of this year was 6 percentage points higher than in the first eight months of last year.

According to the report, finished industrial products made up a 81.1 percent of the total exports and were worth 42.5 billion U.S. dollars, an increase of 6.5 percent.

Big increases were also recorded in the exports by foreign funded enterprises who turned out 13.64 billion U.S. dollars worth of export goods, representing a 39 percent increase.

During the January-August period imports of machinery and electronic products, and steel products showed rapid increases, but imports of chemical fertilizers and pesticides decreased markedly, according to the report.

Commentator's Article on Drive Against Fake Goods

HK1709100293 Beijing RENMIN RIBAO in Chinese
15 Sep 93 p 2

[Commentator's article: "Continue To Launch a Thoroughgoing 'Crackdown on Fake Goods'"]

[Text] Since reform and opening up, the domestic market has had a very wide variety of commodities, foreign exchange earned from exports has increased considerably, and the quality, grade, and variety of many products have improved and developed considerably.

However, the quality of some products is still worrying. Especially at the present time, when the legal system badly needs improving and when market competition mechanisms are not sound enough, lawless elements who manufacture and sell fake goods seize this opportunity to manufacture and sell fake and shoddy commodities, harming vast numbers of consumers and constituting a "public harm" to society.

Fake and shoddy commodities seriously harm the prestige of a large number of China's famous and quality products, endanger the healthy development of industrial enterprises and agricultural production, do harm to vast numbers of consumers, and seriously harm the prestige of China's export commodities, thus causing great losses in taxes and profits, wasting resources, and interfering with and harming the normal order of socialist market economy.

The State Council's policy decision last year to launch a nationwide "antifake" campaign is very timely and necessary. Over the past year, all departments and localities have joined forces and coordinated with one another in the "antifake" drive and succeeded in handling and unearthing a large number of cases of fake and shoddy products. This important measure conforms to the people's aspirations and has won popular support. It is good for the country and the people. However, the "antifake" drive must not stop after one success, but must be carried out continuously and persistently.

The immediate task in the "antifake" drive is to punish a number of criminals who manufacture and sell fake goods. The "NPC Standing Committee Decision To Punish Criminals Who Manufacture and Sell Fake and Shoddy Commodities," the "Product Quality Act," and the "NPC Standing Committee Supplementary Regulations for Punishing Criminals Who Manufacture Fake Registered Trademarks" are all powerful weapons with which to punish criminals who manufacture and sell fake goods. It is necessary to correct the phenomena of the law being loosely enforced, punishment being substituted by a fine, and punishment tending to be light.

In order to "crack down on fake goods," it is necessary to vigorously break down regional protectionism and combine the drive with the anticadecence struggle. Regional protectionism involves the question of whether or not people understand the question of interest mechanisms, and the question of corruption among a small number of cadres. Some criminals who manufacture and sell fake goods have "dens," "distributing centers," and networks of connections, and investigating them is difficult and meets with very great resistance. Some cadres "accept others' money to keep them free from trouble." In view of this, the reason the problem of manufacturing and selling fake goods in some areas has long remained unresolved is mostly because some decadent elements ~~to~~ ^{are} weak at, and shield the criminals. Those who openly support and shield the manufacture and sale of fake and shoddy commodities must be held responsible.

The "antifake" drive must be continuously sustained by a variety of means, including the media and administrative,

economic, and legal means. Enterprises and individuals who manufacture and sell fake and shoddy commodities must be made known to the public and have their factory names and factory directors' names filed. It is necessary to strengthen administrative sanctions and resolutely shut down dens and distributing centers that manufacture and sell fake and shoddy commodities. It is necessary to inflict economic punishment on criminals who manufacture and sell fake goods and we must not let them get any financial benefit. Those that have violated the criminal code must have criminal responsibility affixed to them.

For the "antifake" drive, we must fully rely on social forces, extensively mobilize the masses, and teach the masses to enhance their self-protective awareness. Since many of the "antifake" cases are reported and exposed by the masses, we must conscientiously protect them and carry out extensive social supervision of the work of "getting everyone to crack down on the manufacture and sale of fake goods."

Through the "antifake" drive, we should study the existing loopholes in such areas as production management, product circulation, and the operational mechanisms; analyze the underlying reasons, block the sources of fake goods, and come up with some countermeasures to radically curb the proliferation of fake and shoddy commodities, amplify the legal system, standardize market competition, and safeguard the healthy development of socialist commodity economy.

Governments at all levels must combine the "antifake" drive with the drive to support quality goods. They should vigorously develop and promote famous, special, quality new products; and fully meet the needs of our people's daily improving material life and of earning foreign exchange through export, making a positive contribution to the sustained, speedy, and healthy development of China's economy.

News Conference on Real Estate Industry Held

OW1709133493 Beijing XINHUA in English 1314 GMT 17 Sep 93

[Text] Beijing, September 17 (XINHUA)—China has succeeded in bringing its booming real estate industry under the government's control, with the sector's growth rate slowing down, prices plummeting and the investment structure more rationally adjusted.

Addressing a press conference held here today, Hou Jie, minister of construction, stated that the government's macro-economic control over the real estate market is not restricting its development.

He said that the control measures taken by the government are aimed at ensuring the sound and healthy development of the emerging sector by using economic, legal and necessary administrative means in light of the socialist market economic law.

The minister said that one of the objectives in enforcing macro-economic control over the real estate industry is to

move the focus of real estate construction projects from luxury hotels, villas and golf courses to more affordable housing.

The government has stipulated that all firms that engage in real estate deals must undertake construction of moderately-priced housing. Each firm should devote at least 20 percent of its total floor space to ordinary residential housing construction.

The government will outline policies to encourage the construction of ordinary housing and offer the concerned firms preferential treatment in terms of land and loan supply.

According to the minister, there will be no approval, licenses, land or loans for such expensive projects as horse race tracks, golf courses, luxury hotels and apartments.

Moreover, the control measures prohibit buyers of land use rights from reselling until they have made at least one-fifth of the promised investment in the land's development.

The minister said that in spite of the problems existing in the real estate industry, it has played an active role in optimizing the allocation and utilization of state-owned urban land, and in improving the investment environment and in expediting urban construction.

According to Hou, in the past seven years, China has completed low-priced housing construction projects totalling 950 million s.q. meters in floor space.

The minister said that the state's total investment in real estate over the past seven years was as high as 209.5 billion yuan (about 36.7 billion U.S. dollars) and that the income from sales of the commercial housing was 135.7 billion yuan (about 23.8 billion U.S. dollars).

The minister said he expected further development in the real estate industry in the next seven years because urban housing totalling 1.35 billion s.q. meters in floor space needs to be built and some 30 million s.q. meters of dilapidated houses need to be renovated.

Wen Jiabao Visits Agriculture Ministry 16 Sep

OW1709132693 Beijing XINHUA in English 1313 GMT 17 Sep 93

[Text] Beijing, September 17 (XINHUA)—A senior Communist Party official has stressed the importance of stabilizing and improving the party's basic policies concerning the countryside, deepening the rural reforms, and strengthening the position of the farming sector as the foundation of China's economy.

"China has a population of more than 1.1 billion, 900 million of whom are rural residents," Wen Jiabao, an alternate member of the Political Bureau of the Chinese Communist Party's Central Committee, said yesterday while visiting the Ministry of Agriculture.

Many problems have cropped up in the farming sector and the rural economy at the midpoint of the reforms, opening

to the outside world and the shift to a market economy, said Wen, who is also a member of the secretariat of the party central committee.

In view of this, Wen said, party and government departments at all levels must always place top priority on the farming sector and rural work, and improve the functions of all departments that serve agriculture.

He said, "In the final analysis, agricultural departments must fully perform their functions in backing, protecting, serving and regulating the farming sector and the rural economy."

Their most important function is to serve farmers, and promote agricultural production and the growth of the rural economy, he added. To this end, they must make thorough investigations and make proposals for the formulation of correct policies and measures.

Wen pledged to rely on correct policies in the future to protect and arouse farmers' initiative to the maximum.

Moreover, he said, it is imperative to enable agricultural departments to perform their functions in solving new

problems that have cropped up in agriculture and the rural economy, and in achieving practical results for farmers and the rural economy.

He also called for close attention to protecting farmers' interests.

"We have already achieved some successes in that regard, but we must by no means relax our efforts," he noted.

Wen called on party and government departments at all levels to reduce farmers' financial burdens and promote rural economy.

Agricultural departments at all levels must meet the needs of a socialist market economy, transform their functions and improve their work, he said.

Meanwhile, they must conscientiously study how to serve farmers, and protect, support and promote agricultural growth under the conditions of a market economy, he added.

In expanding the market economy, they must also take into account three closely-related links in the rural economy: production, circulation and consumption, he said.

Central-South Region

Guangdong Secretary, Governor Speak on Anticorruption

HK1609072893 Guangzhou Guangdong People's Radio Network in Mandarin 0400 GMT 11 Sep 93

[Text] The enlarged standing committee meeting of the Guangdong Provincial CPC Committee concluded in Guangzhou today. Through study in the past days, the participating comrades analyzed the situation, looked closely into typical cases, examined existing problems, summed up and shared experiences drawn from their work, and had a clearer understanding of the significance, tasks, and measures of anticorruption campaign.

At this morning's general meeting, Xie Fei, member of the CPC Central Committee Political Bureau and secretary of the provincial committee, made an important speech.

He emphasized: In the on-going anticorruption campaign, it is necessary to achieve the following three integrations: First, integrating fulfillment of the anticorruption tasks for the current stage with the long-term objective of establishing a mechanism for preventing corruption and preserving honest administration; second, integrating combating corruption with strengthening the building of spiritual civilization; and third, integrating combating corruption with deepening reform and developing the economy.

He pointed out: Whether or not the current anticorruption campaign can be conducted efficiently, effectively, and substantially depends on the leadership. Party committees and governments at all levels must pay close attention to this challenging and urgent political mission, try to solve some outstanding problems in light of their local realities, and truly help boost public morale and win trust.

Zhu Senlin, deputy provincial secretary and provincial governor, made an important speech at the meeting on how the government sector should conduct the anticorruption campaign and strengthen the building of clean and honest administration.

He pointed out: In the course of establishing a socialist market economic system, when updating concepts, we must make a clear distinction between right and wrong; avoid erroneous and negative things; firmly combat money worship, egoism, and out-and-out individualism; and oppose the commercialization of political life within the party and any attempt to make it market-oriented.

He also emphatically set forth four measures for redressing unhealthy tendencies in the short-term future. [sentence as heard]

Guangxi Announces Growth in Foreign Investment

OW1609155093 Beijing XINHUA in English 1445 GMT 16 Sep 93

[Text] Nanning, September 16 (XINHUA)—Southern China's Guangxi Zhuang Autonomous Region is acting to attract more foreign investment to accelerate its economic development.

To build 2,000 newly-approved projects the region introduced a total foreign investment of some 3.16 billion U.S. dollars in the first eight months of this year, or 5.6 times the total for last year.

Also, the number of large projects involving over 10 million U.S. dollars in investment jumped to 64 in the first six months of this year from four last year.

Investors came from 26 countries and regions, with those from the United States as well as Hong Kong and Taiwan on top of the list. The investors have shown interest in agricultural development and infrastructural projects. U.S. and Japanese investors, for instance, have decided to invest 40 million U.S. dollars to build up an orange production base in the region by introducing young orange plants from abroad and set up a processing factory.

The coastal city of Beihai still attracts most of the overseas investment. Nearly 500 newly approved foreign-funded projects will be launched in the city. But a new trend in foreign investment in the region is that more funds are being steered toward the mountainous areas. Nearly 40 projects have been approved to be built with foreign funds this year in Hechi and Bose, two of the remotest and poorest counties in the region.

Many local township and village enterprises have also been enthusiastic in attracting foreign investment. In the first six months, a total of 154 joint ventures or cooperative businesses were launched between these enterprises and overseas partners.

Guangxi, located in China's westernmost coast, provides the easiest outlet to the sea for the country's southwest inland provinces. Local officials said that Guangxi plans to use one billion U.S. dollars of foreign investment the whole year.

Hainan Inaugurates Yangpu Development Zone

HK1509153393 Haikou Hainan People's Radio Network in Mandarin 2300 GMT 9 Sep 93

[Excerpts] The ceremony to inaugurate the Yangpu economic development zone customs control system will start soon. We now offer our readers live coverage. The operation of the Yangpu development zone indicates a new chapter in Hainan's opening up and construction of the large special economic zone [SEZ]. [passage omitted]

More than 1,000 guests from all parts of the country and abroad and over 10,000 local residents gathered from various quarters to mark the occasion.

Leading comrades of the CPC Central Committee and state organs attending the ceremony include Hu Ping, director of the State Council's SEZ Office; Wu Naiwen, executive deputy head of the Customs Administration; Zhu Yucheng, deputy director of XINHUA Hong Kong Branch; He Pengfei, deputy commander of the Naval forces of the PLA; and provincial leaders Ruan Chongwu, Yao Wenxu, Pan Qiongxiang, Mao Zhijun, Wang Xueping, Wang Yuefeng, Lin Mingyu, and Xin Yejiang. [passage omitted]

At the ceremony, Hainan CPC Committee Secretary and Governor Ruan Chongwu pointed out: The Yangpu economic development zone is an important step taken to open Hainan wider to the outside world and promote the export-oriented economy. He said: Practice since the establishment of the province five years ago has proved that the policy decision of the CPC Central Committee and State Council on establishing the Hainan province and SEZ is wise and absolutely correct. The establishment of the Yangpu SEZ is an important step taken to open up wider to the outside world and promote the export-oriented economy. Yangpu has always obtained support from the CPC Central Committee and State Council for its development and construction. Through long-term deliberations and preparations, the State Council approved in March of this year Hainan's plan of attracting foreign investment in developing the Yangpu development zone. Over the past year or so, we have regarded construction of the Yangpu development zone as the most important project in opening up. Yangpu is one of the largest projects in China, using foreign capital to develop an entire area. Yangpu will become an export-oriented industrial zone with advanced industry and relatively developed tertiary industry. Isolated management will be exercised in the 30 sq km Yangpu economic development zone, which will ensure implementation of preferential policies. Customs and other state supervisory departments and the Hainan government have set up management organs in the Yangpu economic development zone, which will exercise unified and effective administrative management and supervision in light of the law and provide Chinese and foreign investors with a fine environment for investment and development.

The establishment of the Yangpu economic development zone is a major event longed for by the people of Yangpu and Hainan as a whole. It will produce a great and far-reaching influence on Hainan's development and construction.

Thanks to deepened reform and macroeconomic regulation and control, China's current economic construction is advancing along a quicker and better direction. As China's largest SEZ, Hainan will face more arduous tasks in the future. The CPC Central Committee and State Council have placed great hopes on Yangpu's development. Relevant central departments have offered great support and help. Friends from industrial, commercial, and financial circles at home and abroad have also shown great enthusiasm for investing in Yangpu. We should seize the favorable opportunity, strive to create a new situation in all fields of work, boldly make explorations, do work in a down-to-earth manner, and use the development of the entire area of the Yangpu project to guide and promote Hainan's development. We will certainly be able to attain the grand objective of modernizing the Hainan SEZ.

Hubei Secretary on Fighting Corruption

HK1509125293 Wuhan Hubei People's Radio Network in Mandarin 1000 GMT 7 Sep 93

[Excerpts] During an inspection tour of Zhongxiang, Guan Guangfu, secretary of the provincial party committee and

chairman of the Hubei People's Congress Standing Committee, stressed: At present, it is necessary to resolutely implement the important spirit of the central authorities on macroeconomic regulation and control, fighting corruption, and running a clean administration. We should proceed from local reality, seize the opportunity, make the most of our advantages, overcome difficulties, and maintain economic growth.

Accompanied by Lu Xiaoyun, secretary of the Jinzhou Prefecture party committee, Guan Guangfu went to the Kedian mountain areas and Weixia reservoir of Zhongxiang from 2 to 5 September. He visited factories and enterprises, held cordial talks with cadres and the masses, asked about their production and livelihood, and solicited their opinions on implementing the party's relevant principles and policies. [passage omitted]

To do work well, Guan pointed out, it is necessary to continuously emancipate the mind and seek truth from facts. With the passage of time, expansion of the scope of our work, and intensification of our task, our understanding of certain questions and fields may lag behind reality. Hence, it is necessary to emancipate our minds, break with outdated concepts, and explore new laws and widen our field of vision in light of the principle of seeking truth from facts. In this sense, there is no end to the emancipation of minds. The tremendous changes following the Third Plenary Session of the 11th CPC Central Committee have proved this point. In the current time of macroeconomic regulation and control, fighting against corruption, and running a clean administration, we should continue to emancipate our minds and seek truth from facts. The guiding ideology of the provincial party committee in this regard is very clear. On the one hand, Hubei should toe the line of the CPC Central Committee, resolutely implement the spirit of the instructions of the central authorities, and enable it to bear fruit in Hubei. On the other hand, it is necessary to maintain Hubei's development and ensure sustained, rapid, and normal economic growth. Instead of setting macroeconomic regulation and control against economic development or anticorruption against economic growth, we should integrate the two. Only by doing so can we continue to advance with big strides. If we focus attention merely on economic construction at the expense of anticorruption and clean administration, our economic construction will eventually suffer in the long run. Meanwhile, we should not let the opportunity slip because of macroeconomic regulation and control and anticorruption work. It is also wrong not to do things that should be done, resulting in an economic deadlock.

On the question of turning Zhongxiang into one of the ten major cities and counties of Hubei, Guan Guangfu said: The ten major cities and counties have taken the lead in Hubei's regional economy, growth, efficiency, and scale. The provincial party committee has called on the whole province to emulate the ten major cities and counties and spread their experience. The socialist market economy is full of sharp competition and the drive to emulate, learn from, catch up with, help, and in turn, surpass each other, has rich contents. [passage omitted]

While consolidating and developing agriculture, Guan said, we should increase the proportion of industry in the economy as a whole. This is the only way to make the counties, townships, villages, and the people prosperous. The establishment and implementation of this guiding ideology in practice will give enormous impetus to Hubei's economic development.

On the question of agriculture, Guan Guangfu stressed: Agriculture is the foundation of the national economy. We should never vacillate on this question. If there is a problem in agriculture, stability of the national economy as a whole will be out of the question. He emphasized: The rural economy is a comprehensive economy, which should be based on efficiency and overall assessment. We should stress savings deposits, retention of grain, incomes, housing quality and quantity, and farm machinery. Savings deposits reflect the amount of surplus money in the hands of the people. Average income, an important index, reflects the people's living standard. We should ensure that the data are accurate. Average retention of grain will be very significant to rural stability. Now, the state reserves grain, but the collective does not. The peasants must have spare grain in their homes. When they have surplus grain, they can vigorously raise pigs and poultry and develop diversified economies. Improvement in housing conditions is very important to the peasants. In the future, housing in rural areas will be privately owned. Its increment will exceed bank savings interests. [passage omitted]

Regarding urban construction, Guan Guangfu said: First, we should enormously enhance the inhabitants' sense of a city and focus attention on training their civilization and moral values. Second, attention should be given to both hardware and software in urban infrastructure construction. Apart from building material civilization and building factories, we should build spiritual civilization. Third, we should not expect urban construction to be completed overnight. It is necessary to work out overall plans and rational distribution. [passage omitted]

Guan Guangfu said: We should enhance efforts to strengthen party building and make the most of our political advantages. Leaders at all levels should improve their ideological style, be honest and diligent in performing their official duties, lead a plain life, work hard, and resolutely oppose corruption. Only when they have done so can we justly and forcefully carry out work and gain the initiative even under complicated conditions.

It is necessary to educate the broad ranks of cadres and the masses to cherish and maintain the hard-attained situation of stability, earnestly alleviate the peasants' burden, help them take the road to prosperity, show concern for the well-being of the masses, take note of the method of work, and overcome the rude manners of a handful of cadres at the basic levels.

The 1990's will be an open era. China is a country practicing democracy and a legal system. Equality should be stressed among the people, the peasants in particular. We should serve the peasants and do meticulous work.

Hunan's Xiong Qingquan on Fighting Corruption

HK1609111493 Changsha Hunan People's Radio
Network in Mandarin 2300 GMT 9 Sep 93

[Text] The Fifth Discipline Inspection Committee of the Hunan CPC Committee held its second session yesterday morning. Provincial party Secretary Xiong Qingquan delivered an important speech. Xiong stressed: We should regard the anticorruption struggle as an important political task, do a good job of it, and achieve marked results in the near future.

The session was presided over by Yang Minzhi, Standing Committee member of the Hunan CPC Committee and secretary of the provincial discipline inspection committee. Provincial party, government, and Army leaders Xiong Qingquan, Chen Bangzhu, Sun Wensheng, Yang Zhengwu, Liu Fusheng, Liu Zheng, Pang Weiqiang, Chu Bo, Luo Haikuan, Wu Biao, and Wu Xiangzhong attended the session.

Besides Changsha, the main meeting place, there were 10 other meeting places in the cities and prefectures. Comrade Xiong Qingquan delivered an important speech through the internal integrated television network.

Comrade Xiong Qingquan said: The provincial party committee has reiterated that the party and government at all levels are not allowed to engage in commercial businesses. Those already engaged in businesses should cut themselves off from the businesses in light of regulations. Party and government leading cadres at and above county office levels taking concurrent posts in various kinds of economic entities must resign from one of the offices. Those taking up titular concurrent posts must get approval from the higher authorities, but they are not allowed to get any reward. Red-packet money, gifts, and negotiable securities received by leading cadres at or above county office levels in public activities should be handed over to the authorities within a prescribed time. Otherwise, it will be regarded as illicit income and punishment will be meted out. Standing committee members of the provincial party committee and leading cadres at deputy provincial level posts should set an example.

Comrade Xiong Qingquan said: Investigation and handling of the major and important cases of violation of law and discipline is an essential measure adopted for fighting corruption, running a clean administration, and boosting popular confidence. The corrupt elements ferreted out shall resolutely be punished in light of party discipline and state laws. Punishment should be meted out accordingly against those who are to be executed, dispelled from the party, sentenced, or sternly penalized. We should never be softhearted in this regard. No one shall be allowed to plead mercy for corrupt elements or shield each other. Those who interfere in or obstruct the investigation work shall be sternly punished.

Comrade Xiong Qingquan pointed out: The whole province should concentrate forces to check the unhealthy tendencies of party and government organs and their subordinate units abusing power to exact charges under various excuses; of cadres of party and government organs

visiting abroad and purchasing luxurious cars at public expense; and of a handful of basic level cadres issuing mandatory orders and seriously violating party discipline and laws.

Also present at yesterday's session were comrades in charge of the provincial people's congress standing committee who are party members, vice governors who are party members, comrades responsible for the provincial Chinese People's Political Consultative Conference [CPPCC] who are party members, comrades in charge of the provincial military district, members of the provincial discipline inspection committee, secretaries of the discipline inspection organs and deputy secretaries of the prefecture and city party committees, and comrades in charge of the provincial procuratorate, provincial higher people's court, provincial organs, and discipline inspection and supervisory departments.

Southwest Region

Sichuan Discipline Inspection Committee Meets

Yang Chonghui Presides Over Session

HK1609104693 Chengdu Sichuan People's Radio
Network in Mandarin 2300 GMT 12 Sep 93

[Text] The three-day Second Plenary Session of the Sichuan CPC Committee's Discipline Inspection Committee ended yesterday [12 September] in Chengdu. Yang Chonghui, member of the Central Discipline Inspection Commission, standing committee member of the Sichuan CPC Committee, and secretary of the province's discipline inspection committee, presided over the session. Principal leading comrades in charge of the provincial party committee, provincial government, provincial people's congress, and provincial CPPCC [Chinese People's Political Consultative Conference] attended the session.

Xie Shijie, secretary of the Sichuan CPC Committee, attended the session and made an important speech on implementing the spirit of the central authorities on fighting corruption, scoring achievements in the near future, and winning the confidence of the people.

The session relayed the spirit of the Second Plenary Session of the Central Discipline Inspection Commission, studied Comrade Deng Xiaoping's important expositions on correcting party style, running a clean administration, and combating corruption, and the important speech delivered by General Secretary Jiang Zemin at the session. In connection with Sichuan's realities, the session studied the guidelines and measures for enhancing the struggle against corruption and promoting party style and a clean administration under the new situation, discussed the opinions of Sichuan people on carrying out the plans of the CPC Central Committee on combating corruption in the near future, and adopted the "Resolution on Stepping Up the Anticorruption Struggle and Promoting Sichuan's Party Style and Clean Administration."

Xie Shijie Stresses Fighting Corruption

HK1609151593 Chengdu Sichuan People's Radio
Network in Mandarin 2300 GMT 11 Sep 93

[Text] At yesterday's second plenary session of the provincial commission for discipline inspection, provincial Secretary Xie Shijie said: The CPC Central Committee's arrangement for anticorruption work in the short-term future is an important decision made at a time when reforms aimed at the establishment of a socialist market economic system are being deepened and the opening up is expanding. It is an important task for safeguarding the smooth progress of reform, opening up, and economic construction. The provincial committee and the provincial government will conscientiously implement the central guideline and wage a firm struggle against corruption.

He said: We must be soberly aware of the seriousness and destructiveness of corruption. If we treat it lightly and let it go rampant, it may spell an end to our party and the people's government. At present, the provincial committee and the provincial government demand that all localities do a good and substantial job in the following three tasks for which visible achievements must be scored in the near future. First, party and government leading cadres at various levels must set an example of honesty and self-discipline. Second, a batch of big and important cases should be investigated and handled quickly and a batch of corrupt elements punished according to law. Third, unhealthy tendencies that the masses are strongly critical of should be sternly checked: Raising the rates of various fees without authorization and arbitrarily increasing the number of items to be charged must be resolutely banned; going abroad on sightseeing tours at public expense should be strictly forbidden; and those who commit offenses in a defiant manner should be handled with extra strictness and severity.

Tibet's Economy Reportedly Vitalized by Opening Up

HK1609114293 Beijing XINHUA Domestic Service in
Chinese 0937 GMT 13 Sep 93

[By correspondents Norbu Ciren (5012 1580 2945 0088)
and Miao Fanzu (5379 0416 0586)]

[Text] Lhasa, 14 Sep (XINHUA)—The continuous expansion of the Tibet Autonomous Region's opening up since the beginning of this year has resulted in an all-round opening-up pattern and instilled new vitality in the region's economy.

Situated at the outermost part of southwest China, Tibet is the "frontier" for China's economic thrust into southern Asia. Since last year, faced with the onslaught of a new round of reform and opening up, with an unbelievably bold vision, Tibet actively adjusted its economic and trade strategies, launched a range of preferential policies to encourage foreign investment, and further improved its investment environment, thus continuously increasing the region's opening up.

Foreign trade made its rise and rapid development into a pillar industry to reform and opening up. To meet the situation of opening up to the outside world, enterprises have been given 14 autonomous powers, and ties with other provinces' trade and manufacturing enterprises have been strengthened, making enterprises of different industries increasingly interested in foreign trade operations. In the first six months of this year, more than 40 firms engaging in border trade and 56 joint-operation enterprises were approved, over 60 enterprises and close to 50 affiliates were involved in international trade.

With improvement in the investment environment and the implementation of various preferential policies, the effort to establish lateral ties at home and attract investment from abroad over the last two years has opened up broader prospects. In the first half of this year, Tibet built 15 new foreign-invested enterprises, reached business accords amounting to 150 million yuan, and attracted 63.73 million yuan of foreign capital. There is more regional cooperation, corporate integration, material trading, and demand for contractors and foreign capital. Joint-operation enterprises have spread across the region and become a new engine of growth for Tibet's economy.

It is understood that the further expansion of opening up will create more opportunities for tourism and indigenous handicrafts. Tibet's tourist departments have, since this year, been improving the region's tourist infrastructure, and opened up new tours, scenic areas, and special programs. Traditional and indigenous handicraft products, with their rich local flavors, are gaining a foothold in international markets.

Northwest Region

Gansu Secretary Speaks on Anticorruption Campaign

HK1509151393 Lanzhou Gansu People's Radio Network in Mandarin 2300 GMT 9 Sep 93

[Text] The provincial meeting of major leaders of prefectures ended in Lanzhou yesterday [8 September]. After studying and deliberating for a day or so, the participants acquired a further understanding of the necessity and importance of the anticorruption struggle, and increased their confidence and determination.

Provincial party Secretary Gu Jinchí and Deputy Secretary Sun Ying delivered speeches at the plenary session held yesterday morning.

On relations between the anticorruption struggle and economic construction, Gu Jinchí said: The anticorruption struggle should be focused on economic construction. Relations between the two should be properly handled so as to attain both the immediate goal of the anticorruption struggle and economic efficiency. We cannot lay stress on one at the expense of the other, still less affect economic construction because of the anticorruption struggle or slacken our efforts to fight corruption because of the attention given to economic construction.

Gu Jinchí called for integrating the anticorruption struggle with the establishment of a strict institution and restraint mechanism, drawing a clear line of demarcation in applying policies, doing the work well in a down-to-earth manner, and achieving the planned results before the end of the year.

Qinghai Secretary Addresses Nonparty Figures

HK1609104593 Xining Qinghai People's Radio Network in Mandarin 2300 GMT 11 Sep 93

[Excerpts] Yesterday morning [11 September], the provincial CPC committee called a meeting of non-CPC personalities to brief them on the provincial committee's regulations and suggestions for furthering the anticorruption campaign. Comrade Cai Zhulin presided over the meeting; Yin Kesheng [provincial secretary], Tian Chengping [provincial governor], Doba, Yao Xiangcheng, and comrades in charge of the provincial commission for discipline inspection and the united front work department of the provincial CPC committee attended the meeting.

Also present at the meeting were non-CPC vice chairmen of the standing committee of the provincial people's congress, non-CPC vice chairmen of the provincial government, non-CPC vice chairmen of the provincial committee of the Chinese People's Political Consultative Conference, advisers to the provincial government, democratic parties [words indistinct], and some personalities with no party affiliation. [passage omitted]

After listening to speeches given by those participants, the two leaders, Yin Kesheng and Cai Zhulin, said: Combating corruption has always been advocated by our party. The aim of the Communist Party is to serve the people wholeheartedly. This aim should never be contravened. At present, under the new circumstances, the anticorruption campaign involves very arduous tasks. What we advocate and resist and what we eulogize and oppose is a big question and should not be confused. Our party will certainly be able to resolutely and dynamically score achievements in the anticorruption campaign.

They expressed the wish that this campaign will have the support and supervision from democratic parties and personalities with no party affiliation.

Xinjiang Curbs Illegal Immigrant Smuggling

HK1709060193 Urumqi Xinjiang People's Radio Network in Mandarin 1230 GMT 14 Sep 93

[Text] A border detachment of the Xinjiang Regional People's Armed Police Corps has struck a heavy blow at lawbreaking and criminal activities, such as illegal immigrant smuggling [tou du 0262 3256] and others, creating a fine border environment for Xinjiang's reforms.

From 1991 up to the present, 67 illegal immigrant smuggling cases have been cracked and 341 people arrested. In recent years, the border detachment under Xinjiang Regional People's Armed Police Corps has persisted in striking blows at criminal activities with one hand and grasping the work of maintaining a guard with the other. It

has conducted various kinds of propaganda work to extensively carry out education about opposing illegal immigrant smuggling to establish and improve a joint defense by the army, police, civilians, and the production and construction corps. It has also strengthened control over the native and nonnative population in the border administrative zone. In the meantime, border checkpoints have made great efforts to overcome some unfavorable factors, such as too many tourists entering and leaving the region, insufficient numbers of inspection staff, and backward inspection procedures. It has strengthened the work of providing vocational training for inspection staff to constantly enhance their capabilities. All this has effectively curbed criminal activities, such as illegal immigrant smuggling and others.

Xinjiang's Song Hanliang on Anticorruption

*OW 1509144993 Urumqi Xinjiang Television Network
in Mandarin 1330 GMT 25 August 93*

[Unidentified correspondent video report; from the "Xinjiang News" program]

[Text] The Xinjiang Autonomous Regional CPC Committee convened a meeting this morning of leading comrades of departments, bureaus, prefectures, and cities to study and implement the important speech given by Comrade Jiang Zemin's at the second plenary session of the Central Discipline Inspection Commission. In line with the guidelines of Comrade Jiang Zemin's speech and the CPC Central Committee's plan for the anticorruption struggle in the near future, the meeting set out to get the whole region mobilized for the struggle.

Song Hanliang, secretary of the regional CPC committee, delivered an important speech at the meeting.

Song Hanliang said: We must study in earnest and have a profound understanding of the guidelines of Comrade Jiang Zemin's speech so that we can take it as our guide in the current anticorruption struggle. In studying the speech, the first priority is to get a profound and correct understanding of the social and historical causes of the emergence of corrupt practices, of the great harm it would cause if they are allowed to spread unchecked, and the great significance of the anticorruption struggle. By studying Comrade Jiang Zemin's speech, our cadres should enhance their understanding of the importance of the ongoing anticorruption struggle. They should, from the strategic high plane of approaching this struggle as if it is a matter of life and death for the party and state, be fully aware of the responsibilities on their shoulders, thereby enhancing their sense of responsibility and urgency for implementing this struggle in accordance with plans of the CPC Central Committee. [Camera shows Song reading from a prepared script and pan shots of a packed meeting hall.]

In studying and implementing the guidelines of Jiang Zemin's speech, we must particularly bear in mind that struggle against corruption is a prerequisite for the implementation of the party's basic line, a major guarantee for promoting the economy with concentrated efforts. We must be profoundly aware that it is wrong to set the

anticorruption drive in opposition to—or to believe it will have an adverse effect on—economic construction, reform, and opening up to the outside world. It is, however, also wrong if we—in the course of implementing the anticorruption drive—fail to keep a firm grip on the central task of economic construction or to pay greater attention to economic construction, reform, and opening up.

Song Hanliang said: We must take accurate stock of the situation of anticorruption struggle in our region and be fully aware of the importance and urgency of the ongoing anticorruption struggle. Generally speaking, the political and economic situation in our region is good; progress has been made in the anticorruption drive, the main aspects of party work style and the drive to build a clean government are good. As Comrade Jiang Zemin pointed out, however, that corruption phenomena do exist in our party and in state organs, and the phenomena in certain respects are growing and spreading. The broad ranks of party members and cadres are deeply worried, hoping to see resolute actions are taken against them. As far as our region is concerned, many problems remain in the anticorruption struggle and in the drive to improve party work style and build a clean and honest government. The situation remains very grim. Some units where ideological and political work has been lax have failed to effectively put a halt to negative and corrupt practices. Some corrupt practices are spreading and growing.

The prominent malpractices at present are as follows:

First, cadres abuse positions for personal gains and trade power for money. Refusing to perform one's duties in the absence of bribes is a prominent problem. In some departments and trades, unhealthy tendencies remain in spite of repeated prohibitions.

Second, lax discipline, failure to observe discipline and enforce laws, frauds, bribery, extortion, bending the law for personal gains, and moral degeneration.

Third, cases involving graft, bribery, participating in corrupt practices in violation of the law, smuggling, dealing in contraband goods, and other violations of discipline and law are on the rise. The illicit money involved is huge and an increasing number of the violations are committed by groups.

Fourth, illegal collection of fees, fines, and other unwarranted charges have become widespread and serious, arousing strong dissatisfaction among enterprises and the masses. Efforts to put an end to the misconduct of collecting unwarranted fees have encountered great resistance and considerable difficulties.

Fifth, free spending and other wasteful practices continue in spite of repeated prohibitions. Misdeeds involving using public funds to wine and dine, to visit other countries, or for tours abroad have even worsened.

Sixth, serious bureaucratic malpractices have been reported from time to time, some of them have already had grave consequences.

Spreading corruption has severely harmed the image of the party and government, disrupted the party's and cadres' relations with the masses, and interfered and undermined reform, opening up, and the modernization drive. As a result of misdeeds of all description—including abuse of power for personal gains, trading power for money, taking bribes, money worship, ultra-individualism, and bureaucracy—many of our policies are distorted when they are implemented. All those malpractices have made it more difficult to implement reforms, adversely affected economic development, diminished the party's and government's prestige, undercut the people's confidence in reform, and breed destabilizing factors in society. To these problems, we must not turn a blind eye or be indifferent. We must not underestimate the people's dissatisfaction with the negative and corrupt practices or the severe consequences that might arise if such practices are allowed to continue unchecked.

In the near future, we should focus on the following three-point task: Leading cadres of party and government at all levels should take the lead in staying clean and honest; extra efforts should be made to investigate major cases; and crackdown on those misdeeds about which the masses have complained bitterly.

In conclusion, Song Hanliang said: The anticorruption struggle is a major political task and an important undertaking for the whole party. We must quicken our pace and successfully carry out the anticorruption struggle in our region. Party committees and governments at all levels should make economic construction their central task and do all they can to ensure the successful accomplishment of this year's tasks in economic construction. We should seize the opportunity to accelerate development, execute our work well, and push forward, with confidence, the modernization drive and other undertakings in Xinjiang.

Commentator on Clean Government, Corruption

*OW1709085393 Urumqi XINJIANG RIBAO in Chinese
13 Aug 93 p 1*

[Commentator's article: "Do Well in Implementation To Produce Results"]

[Text] The "Interim Provisions on Several Concrete Current Issues," which were jointly formulated by the regional Discipline Inspection Committee and the regional supervision department, and approved and circulated by the autonomous regional party committee and the regional people's government, are very practical and pertinent in regulating several crucial issues and the conduct of party and government cadres needing immediate attention at present. Party and government organs at various levels and their functionaries must enforce these provisions accordingly to preserve the purity and cleanliness of party and government organs; to promote reform, opening up, and economic construction; to build party work style and a

clean government, and to strengthen macroeconomic regulatory control throughout the region.

Strengthening the building of clean government and fighting against various corrupt phenomena has always been a cardinal principle upheld by our party, and it is an important strategic task put forward to the entire party by the 14th CPC National Congress. How to preserve the party's nature as the vanguard of the working class, its objective of serving the people wholeheartedly, and its fine work style of integrating theory with practice, forging close ties with the masses, and conducting self-criticism, and how to keep all these unchanged, will always be the major issue for party building throughout the new period.

Since reform and opening up, party organizations at various levels in the region have done a lot in party building and promoting clean government and have achieved certain results. Overall, the mainstream of party members and cadres is fine. However, as we must soberly realize that we are now in a period of transforming from a planned economic system to a socialist market economic system, and as reform and opening up continues to deepen, many new circumstances and new problems have emerged in building the party and promoting clean government. The people have yet to achieve unity in thinking and understanding, relevant laws and regulations are far from perfect, limits in applying policies on certain issues are not clear enough for people to distinguish right from wrong, and there are many weak links and loopholes in work and management. All of these have provided opportunities for the abuse of power and violations of law and discipline. The escalating tendency for negative and corrupt phenomena has posed a serious new situation to building the party and promoting clean government. We should realize the seriousness of problems and should never take them lightly on the one hand, and we should recognize favorable conditions to enhance our confidence on the other. Party and government leaders at various levels must place the promotion of clean government and fighting against corruption as an important item in guiding ideology and work plans and should work hard and relentlessly to achieve fruitful results.

The endeavor of fighting against corruption, building the party, and promoting clean government must be carried out in a comprehensive manner. Regulating the conduct of party and government cadres should be one aspect of this endeavor. Strict observance of discipline by party and government organs can help promote party building and clean government throughout the region. These eight provisions involve all party and government organs and each and every leading cadre. Leading cadres must set a good example by performing their duties according to the provisions.

What is important is persistence and implementation. Party committees and governments at various levels, particularly principal party and government leaders, should not only take the lead in implementing the eight provisions, but should also, even more importantly, perform leadership

responsibilities by supervising and inspecting their subordinates to ensure implementation of the provisions in their own localities and departments. As long as we adhere to the party's basic theory and line, strengthen macroeconomic regulatory control, and uphold the principle of "promoting both material and cultural and ideological progress and

attaching equal importance to both" in conscientiously implementing the eight provisions, the autonomous region will certainly be able to overcome existing difficulties and problems and promote reform and opening up, as well as economic construction, in a sustained, swift, and healthy manner.

MAC Formally Responds to Beijing 'White Paper'*OW1609144093 Taipei CNA in English 1415 GMT
16 Sep 93*

[By Bear Li]

[Text] Taipei, Sept. 16 (CNA)—There is no so-called "Taiwan problem" but a "China issue," the Mainland Affairs Council [MAC] said in a formal response to Beijing's White Paper on Taiwan.

The MAC said the White Paper, released on Aug. 31, "is full of contradictions.... It not only intentionally distorted the history and international political reality but also sent a threatening message to the world."

The 5,000-word retort, released Thursday [16 September] afternoon by MAC Vice Chairman Kao Koong-lian, underwent 15 revisions.

The document asserted as an undeniable fact that Taiwan and the mainland have been divided and under separate rule since 1949, although both are part of Chinese territory.

It said that the Republic of China [ROC] on Taiwan deserves the right to take part in the international community and the right to a fair international status, taking into account the fact that it has been independently exercising jurisdiction over the Taiwan, Penghu, Kinmen and Matsu area.

The MAC blamed Beijing's "one country, two systems" policy as the largest obstacle to China's unification, saying it is neither feasible nor acceptable.

The document refuted Beijing's claim that the "Taiwan problem" has long been a contributing factor to the instability in the Asia and Pacific rim. "It is Beijing itself which has never ceased to export revolution and many times played a role in regional wars, posing a threat to the peace and prosperity of Asia and even the world," it said.

The MAC called on Beijing to renounce the use of force against Taiwan so as to create an environment favorable for unification.

It said both Taipei and Beijing should carry on developing cross-strait relations with greater patience and wisdom and then jointly work out a way to build a unified, free, democratic and wealthy China when the time is ripe.

Labeling Campaign Called To Promote UN Bid*OW1509153893 Taipei CNA in English 1442 GMT
15 Sep 93*

[By Flor Wang]

[Text] Taipei, Sept. 15 (CNA)—A Republic of China [ROC] lawmaker has called for a labeling campaign aimed at seeking global support for the nation's bid to re-join the United Nations.

C. F. Yen, an opposition Democratic Progressive Party legislator, is urging local manufacturers to put a label that reads "Please Support Taiwan's UN Bid" on their exports.

He said the worldwide popularity of some of the products would gain Taiwan greater international support.

Taiwan was forced out by Beijing in the United Nations in 1971.

The legislator said he will meet with relevant government officials on Sept. 23 to discuss how to promote the campaign more efficiently.

Firms Eye Middle East Markets*OW1509153793 Taipei CNA in English 1501 GMT
15 Sep 93*

[By Sofia Wu]

[Text] Taipei, Sept. 15 (CNA)—The prospects for peace in the Middle East have caught the attention of local machinery and information product manufacturers previously reluctant to expand operations in the region, industry sources said Wednesday [15 September].

Israel and the Palestine Liberation Organization, bitter enemies for decades, signed a peace agreement in Washington, D.C. Monday outlining a plan for Palestinian self-rule in the Israel-occupied territories.

A senior executive with Acer Inc., Taiwan's largest personal computer (PC) maker, said few Taiwan computer companies sought to tap Middle East markets because of hostilities there.

Unlike its rivals, Acer started making inroads into the Middle East several years ago. It now commands the third largest PC market share in the region.

The Acer executive said the company will step up sales efforts in anticipation of an expected economic boom in the region following signing of the peace accord.

Acer [words indistinct] networks in Saudi Arabia, Oman, Jordan and Syria, in addition to representative offices in Turkey and Dubai.

Data Expert Corp., a local motherboard producer, has also managed to gain a certain market here in the region after years of promotion efforts, a company spokesman said.

Local machinery manufacturers, as well, have become increasingly active in tapping the Mideast markets in recent years, with their products being sold to Iran, Lebanon and Kuwait.

Their sales, however, have been limited in these war-torn countries due to a shortage of hard currency.

The peace agreement provides new hope for the industry. A spokesman for the Taiwan machinery manufacturers association said he believes sales of Taiwan-made machines to the Middle East will increase upon the influx of World Bank money for reconstruction projects.

Taiwan's exports to the Middle East totaled US\$1.46 billion in the first eight months of this year, up 10.5 percent from the same period of last year.

Imports from the region amounted to US\$2.27 billion during the January-August period, up 10.6 percent from the year-earlier level.

Tax Cooperation Meeting With South Africa Opens

*OW1109112093 Taipei CNA in English 0737 GMT
11 Sep 93*

[By Danielle Yang]

[Text] Taipei, Sept. 11 (CNA)—The second tax meeting between the Republic of China [ROC] and the Republic of South Africa will be held in Pretoria Sept. 13-17.

Director General of Customs Jan Te-ho left for Pretoria Friday [10 September] for the annual meeting which will focus on a joint crackdown on wildlife smuggling and discuss the protection of endangered animals.

The agenda will also include proposals to protect intellectual property rights, automate customs clearance procedures, control bonded warehouses, and discuss a transaction value system.

Other topics include signing of a bilateral tax cooperation agreement, customs valuation of under-invoicing and over-invoicing, progress with customs electronic data interchange, and training of customs and excise.

Taipei and Pretoria agreed to hold annual tax cooperation meetings last year. The meetings will alternate between the two cities.

Mongolian Delegation Arrives in Taipei on Study Tour

*OW1709100193 Taipei CNA in English 0816 GMT
17 Sep 93*

[By Debbie Kuo]

[Text] Taipei, Sept. 17 (CNA)—A Mongolian delegation comprised of government officials and researchers is here to learn the "Taiwan experience" by taking part in a month-long study tour around the island.

The 10-member delegation, led by Namjiliyn Danaajab, chairman of Mongolia's National Development Board (NDB), embarked upon the study and research tour Friday [17 September] under the auspices of the International Economic Cooperation Development Fund of the Ministry of Economic Affairs.

The Chinese National Federation of Industries (CNFI) was authorized to sponsor the one-month training program, according to Chen Ching-nan, CNFI deputy secretary-general.

Members of the group include Pandiyn byambatseren, first deputy minister of Population Policy and Labor, Tarbyn Baabai, director-general of technology and investment department of the NDB, which is the "little cabinet" of Mongolia.

Other members include NDB executive officials, deputy provincial governors, and a senior banking supervisor, Chen said.

The study-tour focuses on general economic planning and development and features 10 speeches by leading figures on economics and related fields in Taiwan.

In addition, field trips to various economic establishments and organizations in Taiwan, including the Hsinchu science-based industrial park, export processing zones, private manufacturing companies, and forest research institutes, will be included in the tour.

Hong Kong

PRC Official Discusses Patten's 'Reform Scheme'

OW1709015993 Beijing XINHUA in English 0145
GMT 17 Sep 93

[Text] Hong Kong, September 17 (XINHUA)—Governor Chris Patten should bear all the historical responsibilities if he is determined to sabotage the Sino-British cooperation and the on-going negotiation between the Chinese and British Governments on the 1994-1995 electoral arrangement in Hong Kong.

The warning came from Zhang Junsheng, deputy director of the local branch of the XINHUA NEWS AGENCY, in response to Governor Patten's speech made Wednesday [15 September] on the intention to deliver his constitutional reform scheme at a meeting attended by press circles for the preparation of the 44 anniversary of the founding of the People's Republic of China held here yesterday.

Though a little progress was made in the Sino-British negotiation on the 1994-95 electoral arrangement in Hong Kong, no agreement has been signed so far, Zhang said.

In fact, Zhang said, it is at once easy and difficult for the two sides to reach an agreement.

It is quite difficult to have an agreement if Governor Patten insists on carrying out his reform scheme which runs against the basic law, the Sino-British Joint Declaration and the agreement and understanding reached between the Chinese and British Governments or has a change in form but not in content, the deputy director pointed out.

Conversely, if the governor acts in the interests of Hong Kong residents and also in that of Britain and changes over to new ways, then it is possible for the two sides to reach an agreement, he added.

The Sino-British negotiations have gone through 11 rounds but no agreement was reached between the two sides. This was because the British side went round and round pursuing Chris Patten's constitutional reform scheme, he noted.

It is notable that when the negotiation is still going on, the British side repeatedly spread the rumor of broke-down of the negotiation and Governor Patten even threatened that he will deliver his constitutional reform scheme to the Legislative Council if no agreement was reached.

Zhang stressed the Sino-British Joint Declaration is the basis for the solution to the Hong Kong issue. Governor Patten should think over the consequences if he abandons the Joint Declaration.

Editorial Discusses British Position on Talks

HK1709074093 Hong Kong TA KUNG PAO in Chinese
17 Sep 93 p 2

[Editorial: "There Is No Outlet for Retrogression"]

[Text] Chris Patten says if no agreement is reached, he will "have no option but go to the Legislative Council [Legco], put proposals to them, and introduce our own arrangements." People in various Hong Kong circles immediately criticized this and Zhang Junsheng, deputy director of the XINHUA Hong Kong Branch, also made responded: "We advise Mr. Patten not to make a wrong calculation." "Whom was he trying to intimidate? Hong Kong residents or the Chinese side? His attempt will be totally in vain." "If he continues to perversely damage Sino-British cooperation and sabotage the ongoing talks then he must bear the historical responsibility.

Eleven rounds of talks have been held between China and the UK. Although it is hard to make advances, there has still been a certain minor progress. The British representative used to tell reporters after each round of talks: "The atmosphere was normal." "It was completely normal." "Progress was made in the talks." However, recently, the British side made a 180-degree turn, continuously spreading rumors about the "breakdown of talks." In August, when senior Hong Kong Government officials analyzed the prospects of the talks, they said: "The talks may break down and the government will submit the constitutional reform package to Legco." On 9 September, the British newspaper THE DAILY TELEGRAPH quoted a British source "familiar with the Sino-British talks" by saying that "the British side has gained nothing" and "the talks are on the brink of failure." On 12 September, Robin McLaren openly admitted that "the British side has prepared contingency measures against a breakdown." On 15 September, Chris Patten personally warned that he would "submit the constitutional reform package to Legco and independently make election arrangements." As the British team members continued to utter such remarks, were they putting on a show, or exerting pressure on the Chinese side, or really trying to break with the Chinese side and act arbitrarily on their own?

As Deputy Director Zhang Junsheng said, it is difficult, and also easy, to reach an agreement in the Sino-British talks. If the British side can consider the benefits of Hong Kong residents, and also to British interests, and return to the "three conformities" position, then it will not be difficult to reach an agreement. In order to achieve positive results the Chinese side has shown great patience and has made great efforts. Their actions were seen by many people in Hong Kong and they are still making efforts. If the talks break down, the British side will have to bear all the blame.

Patten said that if no agreement is reached, "it is not because the British side did not make the effort." Here, we may review the course of the talks and see what "efforts" the British side made inside and outside the talks.

First, it "made efforts" to resist the "three conformities" principle. Before the talks began, the two sides agreed that the "three conformities" be taken as the foundation for the talks. However, the British side was never willing to return to the path of "three conformities" and still tightly clung to Patten's "three violations" package. Recently, McLaren said even more openly: "The British Government supports

Patten's position 100 percent" and "Governor Patten's package was discussed in the talks as an option." Obviously, the British side damaged the foundation for the talks.

Second, it "made efforts" to continuously play the petty trick of "jumping the gun." For example, it aided and abetted: Legco in passing the Boundary and Election Commission Bill according to Patten's package; the Legco Constitutional Development Panel in discussing the 1994 and 1995 election arrangements according to Patten's package; and aided and abetted the Hong Kong Government in merging the Yaumatei-Tsimshatsui District with Mongkok District. Recently, it created new trouble by allowing civil servants to join political parties and advocating the need to create a civil servants functional constituency for the Legco elections. All this was "jumping the gun" behavior and set obstacles to the talks.

Third, it "made efforts" to create difficulties for the Chinese side. As the two sides agreed before the talks began, the talks should handle the issue of the 1994 and 1995 election arrangements in Hong Kong rather than the constitutional structure as a whole. However, the British side deliberately complicated the issue by raising one difficult problem after another. It required that issues before and after 1997 be discussed, many of which are completely within the scope of China's sovereignty. For example, it required that the standards for the through train be discussed and demanded that the British Hong Kong authorities be able to participate in the work of the Special Administrative Region [SAR] Preparatory Committee. It also required that the Chinese side promise 100 percent direct elections in 2007 and wanted a hand in the naming of the SAR chief executive. All such unreasonable demands raised by the British side were aimed at disrupting and sabotaging the talks.

It can be said that the British side has never had sincerity for reaching an agreement. The Sino-British talks are aimed at reaching a "three conformities" agreement. However, Patten regards such an agreement as a "bad agreement," and said that "no agreement is better than a bad agreement." The British side's "efforts" as mentioned by Patten were to resist the formulation of a "bad agreement" and strive for the result of "no agreement."

If the British side arbitrarily submits Patten's constitutional package to Legco because the talks fail to reach any agreement, then there will just be two possible results: First, most Legco members will oppose Patten's actions, vote down his "constitutional reform package," and demand that the British side restore the talks and cooperate with the Chinese side. Second, by exerting pressure on Legco, the British side will force Patten's bill through and arrange the 1994 and 1995 elections according to Patten's idea, thus causing division in the local community and causing shocks to the economy. At that time, Hong Kong people will have no option but to adopt some legal and effective measures to boycott Patten's perverse acts; and the Chinese side will also have no option but to step up the preparations for building another kitchen and actually

bearing the responsibility for maintaining Hong Kong's prosperity and stability and guaranteeing Hong Kong's smooth transition.

At present, the Sino-British talks are situated at a critical juncture. Patten should think thrice before he acts if he wants to adopt any option. There is no way out if retrogression occurs.

PRC Cites UK on Joint Liaison Group 'Failing'

HK1709070093 Hong Kong SOUTH CHINA
MORNING POST in English 17 Sep 93 pp 1, 2

[Report by Lana Wong]

[Text] China yesterday blamed Britain for again failing to reach an agreement on the handover of defence land to the People's Liberation Army. Chinese team leader Guo Fengmin said after the latest Joint Liaison Group (JLG) plenum in Beijing there were "some questions which I think are beyond my comprehension". "There are some subjects that I originally thought could be resolved but had not been resolved," he said. He cited the defence land issue as an example. "I am afraid there are some questions (we) have to ask the British side (to reveal) the reasons (for the slow progress)," he said. Mr Guo said the Chinese side had put forward a "constructive proposal" but the British side had yet to respond.

British JLG team leader Tony Galsworthy said: "There are still some important differences. "Mr Guo might have said that agreement could be reached very quickly. So it could, if the Chinese side was to accept our position. "But realistically I would expect that there would be a need for a further negotiation and flexibility on both sides," he said. [quotation marks as published]

Mr Galsworthy would not say whether the holdup was the result of differences over Hong Kong's political reform plan. Mr Guo also would not say if the slow progress was related to the political talks. Negotiations will continue in London in December.

The Chinese side originally expected a full accord could be reached on defence land but the British side felt it was impossible. Mr Galsworthy said: "We may have made a little progress at this meeting in identifying possible ways to bridge our remaining difficulties. These will be further explored at an expert meeting next month," he said. A final agreement is not expected when British Foreign Secretary Douglas Hurd and his Chinese counterpart Qian Qichen meet.

Defence land aside, no headway was achieved on the Container Terminal 9 (CT9) project, localization or adaptations of laws. "There was some progress but it was pretty thin," said Mr Galsworthy, who will step down from his post before the end of the month. "And there are some quite serious blockages in certain areas. I wish my successor better luck."

During the three-day session, the two sides agreed only on five international agreements and conventions that would remain in force after 1997. On CT9, Mr Galsworthy said

the Chinese side had asked some questions on the tendering procedures, which were answered by Britain. The progress of the programme on international agreements had picked up since the last JLG meeting, said Mr Galsworthy. He said after the last plenum it would take 100 years to complete the programme but yesterday revised it to 22 years.

In Hong Kong, United Democrat legislator James To Kun-sun said the JLG should be a venue for discussing practical arrangements related to the transition of sovereignty instead of political debate. "To my understanding, the JLG should discuss issues related to the economy and livelihood of Hong Kong people," he said.

Sources Say PLA Forming Garrison for Territory

HK1709114493 Hong Kong TANGTAI in Chinese No 30, 15 Sep 93 p 13

[Article by He Po-shih (0149 0130 2457): "The PLA Has Already Put Together the Units That Will Be Garrisoned in Hong Kong"]

[Text] Leading cadres of various ranks supervising troop units to be garrisoned in Hong Kong have been chosen and are undergoing training in Shenzhen. The training consists mainly of political study.

Informed sources have revealed that the CPC has begun forming a "Chinese PLA Garrison in Hong Kong." Leading cadres of various ranks for the troops have been chosen from various military regions and transferred to Shenzhen for training this July.

Logistics Center Set Up in Shenzhen

To solve the problem of logistics and supplies for troops garrisoned in Hong Kong, the PLA General Logistics Headquarters has set aside an area near Huanggangkou as a logistics center, which will also serve as quarters for troops and their families. It has been learned that the garrison will not bring families into Hong Kong.

It is understood that the "PLA Garrison in Hong Kong" will probably be an expanded brigade, including the three armed services. The total troop strength will be at about division level. The Army will come mainly from Guangzhou, the Air Force from Nanning, and the Navy from Shantou. The troop commander will come from Beijing, and will rank as high as the deputy commander of a military region.

Undercover Officers Enter Hong Kong for Study

The people currently undergoing training in Shenzhen are all troop cadres. The CPC Central Military Commission has given instructions that the key to the building of the Hong Kong garrison lies in doing a good job in choosing and training leading cadres at various levels. The selection of soldiers will come after the leading cadres have completed training. At the present stage, these cadres are learning mainly CPC central policies toward Hong Kong (including the Sino-British Joint Declaration and the Basic Law), the basic tasks assigned to the force garrisoned in

Hong Kong by the central authorities, the situation in Hong Kong, the language and living customs there, Army discipline, and so on. Regarding Army discipline, it is understood that they are taking the "good Eighth Company on the Nanjing Road," garrisoned in Shanghai during the early liberation period, as their role model. During training, the Military Commission will arrange for these officers to enter Hong Kong under various kinds of cover for field trips. In Shenzhen they are mainly pursuing political courses. Military training is done in Zhangmutou Camp, some 50 km north of Shenzhen.

A few days ago Xie Fei, secretary of the Guangdong Provincial CPC Committee, made a trip to the barracks to visit this Hong Kong garrison.

Article on Official's Presence at Airport

HK1709114593 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 1514 GMT 16 Sep 93

["Special article" by Yu Huiqing (0060 1920 3237): "Strange Overtones"]

[Text] Hong Kong, 16 Sep (ZHONGGUO TONGXUN SHE)—Wang Juntao's wife Hou Xiaotian arrived in Hong Kong on the evening of 15 September after her application to go abroad was approved by the Chinese Government. Many media in Hong Kong reported her arrival the next day. According to the reporters present at the airport on the occasion, however, there was another piece of news related to Hou's arrival: namely, that the Hong Kong Government's chief information officer, unusually, came to the airport on his own initiative to help reporters with their interview with Hou. The Hong Kong TUNG FANG JIH PAO carried a special report on 16 September on the officer's unusual presence at the airport.

According to the special report, Hou's arrival caused a sensation at the airport. But what reporters found most surprising was the unusual presence of the Hong Kong Government's chief information officer, who "accompanies" Hong Kong Governor Chris Patten on most occasions. He unexpectedly turned up at the airport to help make arrangements for the interview, opening the interview room at the airport to let in reporters. This very much surprised reporters present, because Hou Xiaotian's stop-over in Hong Kong was not arranged by the Hong Kong Government. The Hong Kong Government Information Service, as a rule, would not have been involved in such a matter. But this time the Hong Kong Government sent the officer to the airport on its own initiative to help make arrangements for the interview. This was really a rare piece of interesting news.

When asked the reason for his presence, the officer denied that he had come under the governor's instructions. He said he came to help for fear that there would be chaos. The TUNG FANG JIH PAO reporter said: "No outsiders know what his unusual presence implies."

Normally, Hou Xiaotian would have been only a transit traveler. She did not come to Hong Kong at the invitation of the Hong Kong Government, nor did she ask the

government for help, so it was not necessary for the government to send an information officer to the airport to make arrangements for the news conference. The argument presented by the officer in defense of his unnecessary move could only make others suspect that he was trying to hide the facts. But the more he tried to hide, the more he exposed himself, and his argument could only become a standing joke. Because there are tens of thousands of transit travelers in Hong Kong every day and they usually cause chaos, will the information service have to set up special offices at the airport and other outlets if they want to help "make arrangements" to "maintain order?" Will information officers have to take the place of the security personnel and other staff at the airport? The unnecessary move at such a moment could not but give rise to suspicion.

Everyone remembers Acting Governor Ford talking about the Han Dongfang incident with reporters on his own initiative on 23 August, saying the incident would cause anxiety among Hong Kong people about their freedom of travel after 1997. He ignored the protection provided by the Sino-British Joint Declaration and the Basic Law for freedom of travel after 1997 and mentioned two entirely unconnected matters in the same breath. His comment also "surprised" the media because he had blown the Han Dongfang case out of proportion, thus misleading the public.

Obviously it was not accidental that the information officer turned up unexpectedly at the airport when Hou Xiaotian arrived in Hong Kong. Though the officer denied that he acted under orders, normally he would not have acted recklessly on such a sensitive occasion without instructions from higher authorities. No wonder reporters present asked if the extraordinary arrangements "implied something." In fact, from Ford's offensive and the information officer's unusual presence at the airport, which were all on their own initiative, the public easily will realize they acted in unison on purpose; that is, they seized every opportunity to mislead the public by blowing any case out of proportion or making use of any subject to put over their own ideas.

Commentary on Mainland's Economic Regulation

HK1309152393 Hong Kong ZHONGGUO TONGXUN
SHE in Chinese 1137 GMT 1 Sep 93

[Commentary by Yu Cheng (6735 2052): "Mainland Economic Regulation and Control Have Little Effect on Hong Kong"]

[Text] Hong Kong, 1 Sep (ZHONGGUO TONGXUN SHE)—Mainland China's recent efforts to regulate and control its overheated economy have not undercut the Hong Kong Government's confidence in the local industrial and trade growth. A recently revised official economic forecast issued by the Hong Kong Government showed that the Hong Kong Government still maintained that Hong Kong's gross national product will witness a 5.5 percent growth this year. The Hong Kong Government

stressed that Mainland China's recent efforts to regulate and control its economy are expected to have very little effect on Hong Kong.

By maintaining its original forecast for Hong Kong's gross national product growth, the Hong Kong Government held that the Hong Kong private sector's consumption and investment is not expected to shrink in the immediate future. What warrants attention is that Hong Kong's total amount of fixed capital has maintained a high annual growth rate of 7.6 percent, thus demonstrating a dynamic momentum of capital investment. Thanks to such a dynamic momentum of capital investment, Hong Kong has registered relatively fast economic growth in the last few years since it entered the primary stage of its economic maturity. The continued industrial and commercial capital investment has been making it possible for Hong Kong to improve production capacity, open up more overseas markets, and gain more marginal profits.

According to the recent official economic forecast, the private sector is expected to increase investment in machinery equipment at an annual rate of 12 percent, obviously lower than the 15 percent before the adjustment. Nevertheless, it is still a very high annual growth rate. Given the fact that Hong Kong entrepreneurs have continually increased investment in machinery equipment over the past few years, such an annual growth rate can still be regarded as a high growth rate. Over the past decade, Hong Kong entrepreneurs have incessantly transferred their labor-intensive industrial enterprises to south China. After earning ideal profits, they have started gradually increasing investment in their local capital-invested industrial operations with an eye on opening up more high-quality and high-priced overseas markets.

The last few years have witnessed not only a sustained increase in capital investment by the private sector, but also a sudden increase in investment by the public sector. For instance, the public sector has recently increased its investment in machinery equipment from an annual rate of 15 percent to 30 percent, this being a fundamental change. The public sector has also increased its investment in public housing estate development from an annual rate of 12 percent to 25 percent, signalling another significant change.

Although capital investment made by the public sector accounts for only a limited proportion of Hong Kong's overall fixed capital investment, its rapid growth has indirectly boosted business operation of the private sector. At the moment, Hong Kong's industrial and commercial institutions are still increasing their capital investment, thinking that Mainland China is only making efforts to regulate and control some overheated economic links, such as financial and banking activities, as well as real estate development, rather than unfolding all-round economic retrenchment. Hong Kong's industrial and commercial institutions, optimistic about their own business prospects, have maintained their own investment confidence.

It seems that Mainland China's recent efforts to regulate and control its economy have not had a significant effect

on Hong Kong's foreign trade. According to the recent official economic forecast, the Hong Kong Government has slightly lowered Hong Kong's entrepot trade volume from an annual growth rate of 25 percent to 22 percent, this being only a small drop. It is believed that such a small drop is the result of a small drop in the amount of all types of processed goods shipped through Hong Kong to the mainland and the result of the shrinking volumes of import and consumption on the overseas markets.

The poor economic performance of some major overseas markets, including Europe and the United States, has also contributed greatly to the shrinking exports of both Hong Kong's products and products manufactured by the Hong Kong enterprises in Mainland China. The U.S. economy has maintained a very slow growth while the German and French economies have been suffering negative growth. In view of this situation, in its recent official economic forecast, the Hong Kong Government revised its forecasted Hong Kong's export trade growth rate from one percent to minus 1.5 percent.

Poll Respondents Fear Corrupt Government

HK1709070293 Hong Kong SOUTH CHINA
MORNING POST in English 17 Sep 93 p 2

[Report by Linda Choy and Louis Ng]

[Text] More than three-quarters of Hong Kong people fear the post-1997 government will be plagued by corruption, according to a survey. The survey, to be released by the Hong Kong in Transition project today, found that only 10 percent of the respondents were confident the Special Administrative Region (SAR) administration would be free of graft. Seventy-eight percent believed there would be corruption and twelve percent did not know.

Project director Dr Donald McMillen said the fear of corruption could undermine the confidence of the territory's people. He said the Chinese Government had to demonstrate it was sincere about fighting corruption if it was to regain people's confidence. Asked whether they believed the Chinese Government would fulfill the Basic Law's promises, 63 percent of the respondents say they had either no trust at all or only "slight trust". Only seven percent of the respondents said they "strongly trust" the Chinese Government. Citing the finding that 49 percent of

the respondents said they planned to leave the territory if the situation in Hong Kong changed, Dr McMillen warned that the inability of the Chinese Government to improve its image could be a triggering force for mass emigration.

The survey was conducted in August with 1,109 households being interviewed. The transition project based at the Baptist College but involving mainland and Hong Kong educational institutions, carries out regular socio-political surveys. The latest survey result came as the Liberal Party called for the Independent Commission Against Corruption (ICAC) to implement a localization programme so Hong Kong can continue to combat graft beyond 1997. Party legislator Selina Chow Liang Shuk-ye made the call in a meeting yesterday with the Secretary for Security, Alistair Asprey. "The rise of 40 percent in reported cases of corruption...is alarming," Mrs Chow said. "It reflects the correct anticipation of the public and the ICAC that the advent of 1997 may have caused the 'get rich quick' attitude to manifest itself through corruption." She urged Mr Asprey to give adequate resources to the commission.

Macao

Members Inaugurate Basic Law Association

OW1709012493 Beijing XINHUA in English 0111
GMT 17 Sep 93

[Text] Macao, September 17 (XINHUA)—The Association of the Basic Law of the Macao Special Administrative Region was inaugurated here Thursday [16 September].

The association was composed of 97 members who are mainly local members of the former basic law drafting committee and of the basic law consultative committee.

The association's honorary presidents were Ma Man Kei, O Ching Ping and Stanley Ho.

The president was Chui Tak Kei. Ho Han Wah was board director.

Messages of congratulation were sent from Ji Pengfei, chairman of the former basic law drafting committee, Lu Ping, director of the Hong Kong and Macao Affairs Office under the State Council, and Guo Dongpo, director of the local branch of the XINHUA NEWS AGENCY.

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